

***CITY OF NEWPORT BEACH
RESOURCE ALLOCATION PLAN***



PRELIMINARY

Fiscal Year 2007-08

NEWPORT BEACH, CALIFORNIA

RESOURCE ALLOCATION PLAN

FISCAL YEAR 2007-2008



Prepared for the Newport Beach City Council:

*Mayor Steven Rosansky
Mayor Pro Tem Edward D. Selich
Council Member Keith D. Curry
Council Member Leslie Daigle
Council Member Nancy Gardner
Council Member Michael F. Henn
Council Member Don Webb*

ORGANIZATIONAL VALUES

As Employees of the City of Newport Beach, we choose to embrace and practice the following values:

In practicing ***integrity***, we strive to be honest, reliable, respectful, ethical, fair, and authentic. We will serve in a manner consistent with community values and follow through on our commitments.

In practicing ***empathy***, we will be sensitive to the needs of others by being compassionate, thoughtful, open-minded, willing to understand, and by being good listeners.

In practicing ***service***, we understand our roles as representatives of the City. We will endeavor to practice humility, to make things better for others, and to treat others, as we want to be treated.

In practicing ***excellence***, we will strive to do our best by demonstrating competence and a commitment to quality. We will be innovative, thorough, efficient, and effective in our work.

In ***creating a positive work environment***, we will express our appreciation for, and recognize, others. We will follow a work ethic, take pride of ownership in our work, be courteous, encourage creative thinking, seek and be open to challenges, create esprit de corps, maintain a safe environment, and act with enthusiasm.

In creating ***unity of purpose***, we will practice cooperation and teamwork. We will practice open communication by keeping others informed, considering the needs of others, and at times deferring to the needs of others.

In practicing ***responsibility***, we will be accountable in our work, take initiative, make appropriate decisions, and act decisively. We will acknowledge our errors and correct them.

In practicing ***loyalty***, we will respect the individual and the position. We will support each other, abide by decisions, and strive to always present a positive image of the City.

**CITY OF NEWPORT BEACH
RESOURCE ALLOCATION PLAN
2007-2008**

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NEWPORT BEACH CITY OFFICIALS

CITY COUNCIL



L to R: Council Members Michael F. Henn and Keith D. Curry, Mayor Pro Tem Edward D. Selich, Mayor Steven Rosansky, Council Members Nancy Gardner, Don Webb and Leslie Daigle



L to R: City Manager Homer Bludau, City Attorney Robin Clauson, City Clerk LaVonne Harkless

Sharon Wood.....	Assistant City Manager/Director of Community & Economic Development
Dave Kiff.....	Assistant City Manager
Dennis C. Danner.....	Administrative Services Director/Treasurer
Jay Elbettar	Building Director
Steve Lewis	Fire Chief
Mark Harmon.....	General Services Director
Barbara Ramsey	Human Resources Director
Linda Katsouleas.....	Library Services Director
David Lepo	Planning Director
Bob McDonell.....	Police Chief
Steve Badum	Public Works Director
Wes Morgan	Recreation & Senior Services Director
Pete Antista	Utilities Director



CITY OF NEWPORT BEACH

Honorable Mayor Rosansky and City Council Members
City of Newport Beach
3300 Newport Boulevard
Newport Beach, California 92663

Dear Mayor Rosansky and Council Members:

As directed by the Newport Beach City Charter, it is my pleasure to submit the 2007-2008 City Budget to you. As you know, the Budget is a plan of financial activity for the fiscal year that starts July 1, 2007 and ends June 30, 2008.

As has been past practice, the Budget is contained in three major volumes:

- **Resource Allocation Plan** (a reader-friendly version of the Budget and Capital Improvement Plan)
- **Budget Detail** (revenue estimates and line by line proposed expenditures for operations and maintenance of City services)
- **Capital Improvement Plan** or “CIP” (a description of the significant capital projects and infrastructure improvements planned for Fiscal Year 2007-08).

To assist readers in the review of the documents, we have included a **Users Guide** and a **Glossary of Terms** within the Resource Allocation Plan. The Users Guide includes a description of the Budget process, how the Budget is administered after adoption, and a description of the various funds utilized by the City to properly account for its revenues and expenditures. Readers will find the Glossary of Terms at the end of the Resource Allocation Plan. This Glossary defines many of the terms used in governmental accounting within budgets, including a definition of each fund used by the City.

I have summarized the information within the Budget – as well as how the Budget meets the goals and priorities of the City Council – in a **Budget Overview** that follows this letter. This Overview is intended to provide background and supporting information for review of the budget itself.

In closing, let me once again express my appreciation to the very talented and dedicated members of all our City departments who labor over the details of this document to produce an accurate and understandable Budget each year. Two departments in particular deserve attention for extraordinary efforts. The **Administrative Services Department** has pulled together all the details and summaries to produce the completed budget document, and the **Public Works Department** has worked extensively on our outstanding Capital Improvement Program.

Sincerely,

Homer L. Bludau
City Manager

A Budget Overview

The mild climate, beautiful beaches and recreational boat harbor, excellent shopping and dining opportunities, and multitude of recreational activities, make the City of Newport Beach a destination community for residents, visitors, and businesses. Newport Beach is a full service city, providing nearly all public services including police, fire, water, sewer service, trash collection, libraries, street maintenance, traffic management, parks, and marine safety. Preparation of the annual City budget provides us with another opportunity to review operations, recognize our strengths, and address any issues or challenges. Some of the areas we addressed during the development of this budget are:

- The City has recently updated our Facilities Financing Plan which includes a review of existing City structures as well as developing a financing plan for the replacement of these facilities, such as Police Headquarters, Fire Stations, Library Branches, Lifeguard Headquarters, OASIS Senior Center, and the Civic Center Complex. Three new facilities will be added to the City's Capital Assets this calendar year: Fire Station #7, the Back Bay Science Center, and the Newport Coast Community Center. In addition, fundraising efforts have been started for the replacement of the OASIS Senior Center. We believe the City is well positioned to fund the replacement of its facilities with the replacement program lasting approximately twenty years.
- In the fall of 2006, voters approved the City's comprehensive General Plan update, the first in 30 years. The General Plan serves as the statement of official policy for Newport Beach's long term physical development. Eleven elements were updated or written for the first time, and a complete program environmental impact report was prepared. The update process occurred over several fiscal years and involved the use of several consultants as well as a significant public participation component. The implementation of the Plans' policies is now in progress. The Planning Department's major project for this fiscal year is the rewrite of the City's Zoning Code, which will serve as the implementation tool for many of the new policies included in the General Plan.
- Also in the fall of 2006, we began a comprehensive cost allocation study to identify overhead expenses City-wide and by department. Concurrent with the cost allocation study, we are conducting a cost of services study to ensure our fees and charges are appropriate. The last time we completed similar studies was in 1996. Both of these projects will be completed and submitted to Council with a goal toward implementing any necessary changes this summer. The cost of services and cost allocation plan models will allow City staff to prospectively identify changes in the level of services for which fees are imposed and annually recommend to the City Council adjustments to the Master Fee Schedule.
- Negotiations with all the miscellaneous employee bargaining units are in progress as those contracts all expire on June 30, 2007. The Firefighters Association and the Fire Management Association contracts expire December 31, 2007, so negotiations will soon begin with those groups, too.

GENERAL FUND vs. TOTAL BUDGET. The General Fund is the key operating fund within the City's budget. The General Fund is used to account for discretionary revenues and expenditures while all other funds are used to account for enterprise activities, internal service activity, major capital improvement projects and special revenue sources that are otherwise restricted for specific purposes. Enterprise funds include the activities of the Water and Wastewater operations. Internal service funds are essentially internal cost centers used to account for centralized activities including claims management, equipment replacement, compensated absences and post employment medical benefits. Capital project funds account for major facility improvements, such as the Mariners Library, Back Bay Science Center and Fire Station #7. Special revenue funds include gas tax revenues, Measure M taxes and revenues generated from tidelands just to name a few. For the purposes of this overview, enterprise activity, special revenue sources and major capital improvement funds are segregated from General Fund activity and are summarized as "All Other Funds."

REVENUE OUTLOOK. We are projecting FY 2007-08 General Fund revenues at \$147.0 million. This is a slight decrease from our revised FY 2006-07 revenue estimate of \$147.5 million and is primarily due to the completion of several grants as well as one-time fundraising efforts for the City's Centennial Celebration. Property tax revenues, estimated to be \$73.1 million in FY 2007-08, account for approximately 50% of total General Fund revenues. This is an almost 4% increase over FY 2006-07 property tax revenues. Sales tax and Uniform Transient Occupancy tax are the next largest component of the City's General Fund revenue with a FY 2007-08 estimate of \$34.2 million combined.

The table below highlights some of the areas of change and projected change in General Fund revenues and all other revenues:

Revenue	2006-07 Adopted Budget	2006-07 Amended Budget	2007-08 Proposed Budget	Change from Amended
Total Property Taxes	\$ 67,102,454	\$ 70,493,414	\$ 73,083,537	3.67%
Taxes Other than Property	\$ 38,660,853	\$ 39,591,655	\$ 41,371,520	4.50%
Licenses and Permits	\$ 2,819,900	\$ 2,898,343	\$ 3,876,320	33.74%
Intergovernmental	\$ 2,488,100	\$ 6,336,272	\$ 2,333,100	-63.18%
Charges for Services	\$ 13,211,561	\$ 13,473,234	\$ 13,701,298	1.69%
Fines, Forfeitures & Penalties	\$ 3,567,500	\$ 3,580,338	\$ 3,593,500	0.37%
Use of Money and Property	\$ 8,181,010	\$ 8,281,363	\$ 8,489,867	2.52%
Other Revenue	\$ 418,142	\$ 2,841,354	\$ 515,800	-81.85%
Total General Fund Revenue	\$ 136,449,519	\$ 147,495,973	\$ 146,964,943	-0.36%
All Other Revenue	\$ 52,467,322	\$ 66,967,270	\$ 64,442,708	-3.77%
Total City Revenue	\$ 188,916,841	\$ 214,463,243	\$ 211,407,651	-1.42%
Less Internal Premiums	\$ (14,331,323)	\$ (14,363,323)	\$ (15,731,431)	9.53%
Total City Revenue Net of Internal Charges	\$ 174,585,518	\$ 200,099,920	\$ 195,676,220	-2.21%

Total City revenues, excluding internal premiums, are expected to decrease 2.21% from revised projections for FY 2006-07 to \$195.7 primarily due to the completion or pending completion of several significant community facilities such as the Mariners Branch Library and the Back Bay Science Center, which were partially funded through some significant grants and donations. Total revenues from outside sources are estimated to be approximately \$211.4 million.

EXPENDITURE OUTLOOK. The General Fund contains expenditures for all operating City departments except for the Harbor Resources Division within the City Manager Department and the Oil and Gas Division of Utilities which are all funded through Tidelands, and the Water and Wastewater Divisions within Utilities. The General Fund is usually the most discussed fund and is generally of most interest to residents. In 2007-08, the proposed General Fund expenditures, including General Fund capital improvements, total \$141.3 million, a decrease of \$5.4 million (3.66%) from the amended FY 2006-07 General Fund budget. This decrease is primarily due to the completion of several major capital improvements.

Function and Activities	2006-07 Adopted Expenditures	2006-07 Amended Expenditures	2007-08 Proposed Expenditures	Change from Amended
GENERAL FUND BUDGET				
General Government	\$ 13,682,487	\$ 14,420,744	\$ 13,272,064	-7.97%
Public Safety	\$ 68,613,217	\$ 69,538,411	\$ 71,051,729	2.18%
Community Development	\$ 6,846,211	\$ 7,547,629	\$ 7,191,318	-4.72%
Public Works	\$ 27,743,326	\$ 28,079,344	\$ 28,982,445	3.22%
Community Services	\$ 10,857,621	\$ 12,268,462	\$ 11,981,757	-2.34%
Total General Fund Operating Budget	\$ 127,742,862	\$ 131,854,590	\$ 132,479,313	0.47%
General Fund CIPs	\$ 7,215,278	\$ 14,801,081	\$ 8,808,950	-40.48%
Total General Fund Budget	\$ 134,958,140	\$ 146,655,671	\$ 141,288,263	-3.66%
TOTAL CITY BUDGET				
Total Operating Budget	\$ 165,574,748	\$ 171,707,113	\$ 171,608,575	-0.06%
Total CIP Budget	\$ 40,051,405	\$ 66,333,313	\$ 37,316,135	-43.74%
Total City Budget	\$ 205,626,153	\$ 238,040,426	\$ 208,924,710	-12.23%
Less Internal Charges	\$ (14,331,323)	\$ (14,363,323)	\$ (15,731,431)	9.53%
Total City Budget Net of Internal Charges	\$ 191,294,830	\$ 223,677,103	\$ 193,193,279	-13.63%

Total proposed City expenditures in 2007-08, including debt service and capital projects, is \$208.9 million. Excluding internal service premiums charged to fund insurance reserves, equipment maintenance and replacement, and post employment medical benefits, total expenditures to outside sources are proposed to be approximately \$193.2 million. The budget shortfall between total external revenues and expenditures is due to the timing of Capital Improvement Project (CIP) revenues and expenditures. CIP projects often span one or more fiscal years. Of the \$193.2 million of proposed expenditures in fiscal year 2007-08, a total of \$14.7 million CIP projects are estimated to be rebudgeted from a prior fiscal year because the project was delayed or is only partially completed. These funds are reserved in a Capital Appropriations reserve, but when the appropriation is carried forward to the following year, this re-appropriation causes expenditures to exceed current year revenues.

Excluding CIPs and internal charges, the total FY 2007-08 operating budget amounts to \$171.6 million. This represents a .06% decrease from the 2006-07 amended budget, despite increases in salaries and benefits, staffing increases, the opening of the Newport Coast Community Center, additional maintenance costs for parks, and increased litigation expenses. These increases were offset by non-recurring events in FY 2006-07, such as the Centennial Celebration, General Plan Update, Spheres Issues, Council Elections, and contract encumbrances that were carried forward from the prior year.

I am recommending the addition of seven new full-time positions in the 2007-08 budget and the deletion of two full-time positions for a net change of five full-time positions. The role of the City Attorney's office has changed resulting in the requested deletion of the Deputy City Attorney/Litigation and their Department Assistant. The Deputy City Attorney's functions will be contracted to outside law firms and the Department Assistant will be replaced with a part-time employee. The additional positions are primarily due to the upcoming opening of two new facilities: Newport Coast Community Center and the Back Bay Science Center:

- Marine Refuge Supervisor (City Manager – Harbor Resources) – Tidelands
- Public Information Officer (City Manager - PIO) – General Fund
- Parks Supervisor - Contracts (General Services) – General Fund
- Groundswoker II (General Services) – General Fund
- Department Assistant (Recreation and Senior Services) – General Fund
- Facilities Maintenance Worker II (Recreation and Senior Services) – General Fund
- Department Assistant (Utilities) – Water

To review historical staffing trends, please refer to the Seven-Year Comparison of Full-Time Positions in the Appendix Section.

CAPITAL IMPROVEMENT PROGRAM (CIP). The CIP serves as a funding plan for public improvements, special projects, and many ongoing maintenance programs. Projects in the CIP include construction and rehabilitation of arterial highways, local streets, storm drains, bay and beach improvements, parks and buildings, and water and wastewater improvements. The FY 2007-08 CIP budget is just over \$37.3 million and consists of nearly 100 projects. Specific project plans for this budget year are discussed in more detail in the CIP section of the Budget documents, as well as the printed Capital Improvement Program budget document. There is also a summary of Historical Capital Projects Spending in the Introduction Section of this document.

CONCLUSION. This budget will assist the City of Newport Beach in continuing to provide and improve the quality of services that the citizens of this community have come to expect and deserve. The financial plan for FY 2007-08 is conservative and balanced. All Council reserve fund policies have been met and the proposed General Fund expenditures are fully offset by anticipated General Fund revenues. I am pleased to present the FY 2007-08 budget to the City Council and to the citizens of Newport Beach, California.



INTRODUCTION



CITY OF NEWPORT BEACH
BUDGET FOR FISCAL YEAR 2007-2008
User's Guide

Each year the City prepares and adopts, by formal Resolution, an annual budget as required by the City's Charter. The budget is the operating and capital expenditure plan for the City for the fiscal year beginning on July 1 and ending on June 30 of the following year.

Budget Process — During December of each year, the Administrative Services Department prepares preliminary fund balance estimates for the current year and preliminary revenue estimates for the next fiscal year. In January of each year, the Administrative Services Department prepares a budget calendar and issues budget instructions and expenditure detail to each department for use in preparation of the next year's City budget. Included in these instructions are budget guidelines and appropriation limits for each department. These guidelines are developed by the Administrative Services Director and approved by the City Manager.

After submission of revenue and appropriation requests by each department, the Administrative Services Department summarizes the requests for review by the City Manager and department heads. After review at the City Manager level, the Administrative Services Department prepares the City's proposed budget for the next fiscal year and submits it to the City Council. Thereafter, the City Council holds as many budget study sessions as it deems necessary. All proposed Council changes in the City Manager's proposed budget are added to a budget checklist. Subsequent to Council review and prior to its final adoption, the City Manager provides each Council Member with an itemized list of all proposed changes to permit a roll call vote by the City Council on each item during the budget hearing at the regular Council meeting. The City Council holds the budget hearing and adopts the budget on or before June 30 as required by the City Charter.

The Budget is prepared on a modified accrual basis with all appropriations lapsing at the close of the fiscal year. If an expenditure of an appropriation is required but unexpended at the close of the fiscal year, the appropriation must be rebudgeted or reappropriated by the City Council.

Administration of the Annual Budget — During the budget year, department heads and their designated representatives may only authorize expenditures based on appropriations previously approved by City Council action, and only from accounts under their organizational responsibility. In addition, budget expenditures may only be authorized in the year appropriated. Department heads are responsible for not authorizing expenditures above budget appropriations in any given expenditure classification within their purview, without additional appropriation or transfer as specified below.

New Appropriations. During the Budget Year, the City Council may appropriate additional funds for special purposes by a City Council Budget Amendment. The City Manager has authority to approve requests for budget increases not to exceed \$10,000 in any Budget Activity or Capital Project. All budget amendment increases exceeding \$10,000 shall be referred to the City Council for approval.

Transfers. During the fiscal year, actual expenditures may exceed budget appropriations for specific expenditure line items within departmental budgets. If a total departmental budget, within a specific Classification, is not exceeded, the Administrative Services Director has the authority to transfer funds within that Classification and department, to make the most efficient use of funds appropriated by the City Council. (Salaries and Benefits, Maintenance and Operation, Other Charges, and Capital Outlay are the City's four Classifications.)

Realignments. Further, funds may be realigned between one Department Budget Activity and another, within the same Classification, with City Manager approval. For example, if a Fire Department function and the employee who accomplishes it are replaced by a slightly different function assigned to the Police Department, the City Manager may authorize the transfer of appropriate salary and benefit funds to support this function.

Reprogramming. Any reprogramming of funds among the four Classifications (Salaries and Benefits, Maintenance and Operation, Other Charges, and Capital Outlay) within a given fund requires the City Manager's approval. Any budget revision that changes the total amount budgeted for any fund (other than the minor provisions allowed for the City Manager) must be approved by the City Council.

Capital Projects. The department head having primary responsibility for a Capital Project (usually the Public Works Director) is authorized to encumber and approve subsequent expenditure of City funds for Capital Projects. However, contracts in excess of \$30,000 require specific City Council authorization at the time of contract award. In addition, any contracts not of format and wording already approved by the City Attorney require specific City Attorney review and approval prior to contract award.

The budget document is intended to provide the public concise and readable information about the City of Newport Beach's proposed operating and capital budgets, as well as anticipated funding sources.

The document is actually prepared in three separate volumes: the **Resource Allocation Plan**, the **Budget Detail**, and the **Capital Improvement Program**.

The **Resource Allocation Plan** is designed to be the summary "user friendly" document for the public. It is divided into the following five major sections: (The Table of Contents lists every subject covered in the budget document and its page number.)

- **Introductory Section** — includes the Table of Contents, City Organization Chart, List of City Officials, and the City Manager's Letter of Transmittal.
- **Summary Section** — includes a table of Miscellaneous Statistics for the City, Revenues by Source, Expenditures by Function, Estimated Fund Balances, and Schedule of Fund Transfers.
- **Operating Budgets** — includes proposed operating budgets by department.
- **Capital Improvement Program** — includes proposed capital improvement budgets by funding source.

- **Appendix** — includes a summary of the Tide and Submerged Land Fund; a description of the Internal Service Funds; Land, Structures and Improvements for the City; a summary of Rolling Stock in Service; a Seven Year Comparison of Full-time Positions; a listing of Debt Service obligations for the City; and a Glossary of accounting terms and definitions of terms used in the Newport Beach Budget documents.

Both the **Budget Detail** volume and the **Capital Improvement Program** volume are designed to provide the reader more detail on the proposed operating and capital improvement expenditures. The **Capital Improvement Program** volume also serves as a Five Year Proposed Capital Improvement Plan.

For the most part, the General Fund is the portion of the City's operating budget that funds the majority of City services. This fund is used to account for fiscal resources which are dedicated to the general government operations of the City, and which are not required to be accounted for in another fund. Examples of the services funded by the General Fund include Police, Fire, and Lifeguard Services; Refuse Collection; Public Library; Recreation Programs; much of the City's expenditures on street maintenance; Planning and Building, and Engineering services; as well as the general administration of the City. In addition, many Capital Improvements are funded by the General Fund.

The General Fund and its activities are primarily supported by property, sales, and transient occupancy taxes. In addition, the other revenue sources supporting General Fund activities include: Licenses, Fees and Permits; Intergovernmental Revenues; Charges for Services; Fines, Forfeitures and Penalties; Revenue from the Use of Money and Property; Contributions; and Other Miscellaneous Revenue. By far, the City's largest revenue source is property taxes. The City's second largest single revenue source is Sales Tax, followed by Transient Occupancy Tax. Together, these three revenue sources provide nearly 73% percent of total General Fund revenues.

In addition to the City's General Fund, there are numerous other funds that help finance City expenditures, particularly capital improvements. The City's Special Revenue Funds are used to account for the proceeds of special revenue sources, which are legally restricted to expenditures for specific purposes. The best example of a special revenue fund is the City's Gas Tax Fund, which is funded by the State Gasoline Tax, and which can only be expended for street repair, construction, and maintenance. The City has many other special revenue funds that are all included in the Budget.

The City employs Internal Service Funds to account for vehicle maintenance and replacement, as well as all compensated absences, general liability, workers' compensation, and other insurance payments. These internal service funds are funded by charging each of the operating departments a rate computed to support these activities.

Finally, the Budget includes Enterprise Funds, which are used to account for City operations that are financed and operated in a manner similar to private business enterprises. The objective of segregating activities of this type is to identify the costs of providing the services, and to finance

them through user charges. The two main City enterprise funds are the City's Water Fund and the Wastewater Fund. Both of these funds are financed by user charges to the customers (residents and businesses of Newport Beach).

Appropriation (Gann) Limit— Article XIII B of the California Constitution (Proposition 4) specifies that tax based appropriations of government entities (with certain exclusions) may increase annually only by a limited amount (primarily to allow for population increases and inflation). Newport Beach has been under its Gann Limit by a comfortable margin each year. For 2006-07, the appropriations limit adopted by the City Council, in accordance with Revenue and Taxation Code Section 7910, was \$125,314,360. Calculations determining this amount, which is almost \$21 million greater than the budgeted proceeds of taxes (even without adjusting for exclusions) are verified as part of the City's annual audit. The Gann Limit for 2007-08 will be calculated in late May, 2007, and presented to the City Council for adoption, as required.

In addition to the Annual Budget, the City's audited financial statements for the prior fiscal years are available in the Administrative Services Department, City Clerk Department, and each of the City's library branches.

Fund Balance Policy— The City Council has recently adopted a revised official policy (Policy F-2 in the City of Newport Beach Council Policy Manual) regarding reserve levels among its various funds. This policy, in part, states that "The City Council has determined that a General Fund Contingency Reserve be created and that the balance in this reserve shall be maintained with not less than 12.0 percent of the appropriation budget total within the General Fund of the City's annual approved budget." The balance in this reserve is currently at the targeted amount. In addition, Policy F-2 includes a designated Reserve for Capital Improvement to fund replacement of City owned buildings.

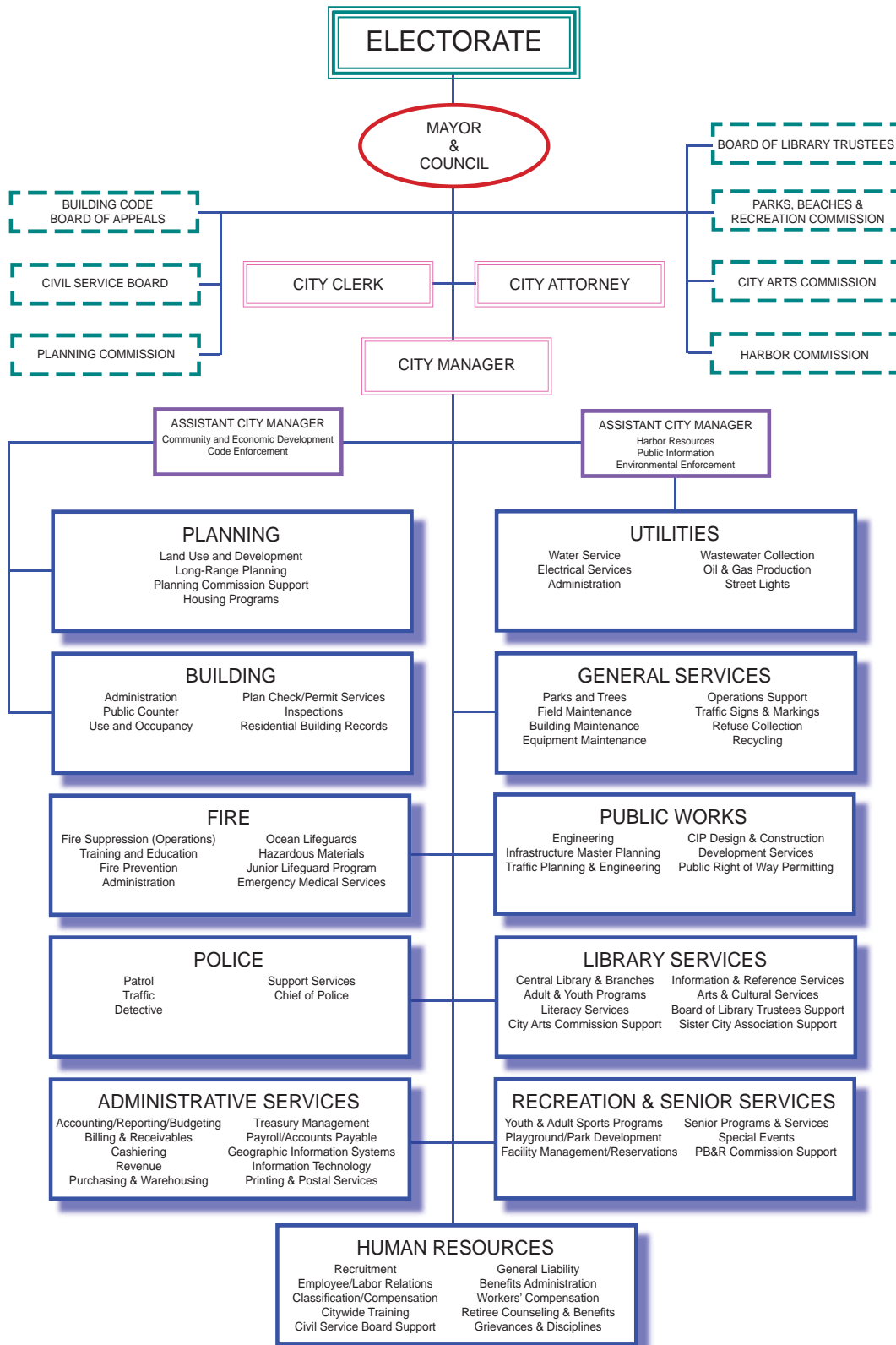
In addition to the General Fund's reserves, other reserve levels have been established. In the Tide and Submerged Land Fund, reserves are designated for Upper Newport Bay restoration projects. The City's Permanent Endowment Fund (Robinson Skinner Annuity) provides investment earning be reserved for dredging projects in Newport Bay. Reserves in the City's Water Enterprise Fund and the Wastewater Enterprise Fund are designed to guarantee their operation and are to be used for emergency repairs of the systems. Reserves have also been established for the City's Internal Service Funds, which fund such activities as Equipment Maintenance and Replacement, and Insurance Reserves for such items as liability, workers' compensation, compensated absences, retiree insurance, and disability.

Debt Administration— The City does not issue debt instruments to finance operating activities; therefore Debt Service Expenditures are the result of capital financing ventures. There are two principal reasons why debt instruments are issued. The first circumstance is when the cash flow for the construction or purchase of a long-term asset would cause a significant strain on the City's cash flow and the asset to be financed will benefit many service periods. In no instance would the City select the duration of a given debt instrument to extend beyond the expected life of the asset financed. The second scenario arises when an asset to be purchased may not cause a significant cash flow strain but it would be economically advantageous to finance the asset rather than to purchase it outright (e.g. occasionally the City can borrow money at a lower rate than its investment portfolio is earning). Information regarding the City's current Debt Service Expenditures is included in the section entitled, Other Activities.

Cash Management — The City pools all cash and investments of all funds, except for funds required to be held by outside fiscal agents under the provisions of certificates of participation and investment funds in its deferred compensation plan. Under the provisions of the City’s investment policy, and in accordance with Section 53601 of the California Government Code, the City may deposit and invest in the following:


- Certificates of Deposit
- Negotiable Certificates of Deposit
- Bankers Acceptances
- U.S. Treasury Issues
- Federal Agency or U.S. Government-Sponsored Enterprise Obligations
- Commercial paper
- Repurchase Agreements and Reverse Repurchase Agreements
- Passbook Savings Accounts
- Local Agency Investment Fund (State of California)
- County Investment Pool (Los Angeles)
- Medium Term Corporate Bonds/Notes
- Mortgage-backed Securities and Asset-backed securities
- Municipal Bonds
- Money Market Funds

The City allocates interest to all funds as required by Federal, State, County, or local code. Each fund allocated interest is indicated on the Revenue Summary of the Budget Detail book.




ELECTED OFFICIALS


COUNCIL APPOINTED BOARDS & COMMISSIONS


COUNCIL APPOINTED POSITIONS


CITY DEPARTMENTS

Fiscal Year 2007-2008
(Updated March 23, 2007)

SUMMARIES



<p>TABLE OF MISCELLANEOUS STATISTICAL INFORMATION</p> <p>FISCAL YEAR 2007-2008</p>
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<p>COUNCIL-MANAGER FORM OF GOVERNMENT</p> <p>RESIDENTIAL POPULATION (January 1, 2006 est.)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Permanent</td> <td style="width: 30%; text-align: right;">83,361</td> </tr> <tr> <td>Summer</td> <td style="text-align: right;">100,000</td> </tr> </table> <p>TOURIST POPULATION 20,000 to 100,000 per day</p> <p>AREA</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 30%; text-align: center;"><u>Square Miles</u></th> </tr> </thead> <tbody> <tr> <td>Land</td> <td style="text-align: right;">25.9</td> </tr> <tr> <td>Bay</td> <td style="text-align: right;">2.5</td> </tr> <tr> <td>Ocean</td> <td style="text-align: right;">23.0</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right; border-top: 1px solid black;">51.4</td> </tr> </tbody> </table> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 30%; 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Newport Beach is one of Southern California's most scenic and dynamic communities. It surrounds Newport Bay, well known for its picturesque islands and one of the greatest natural recreational boat harbors in the world, accommodating over 9,000 boats of all types docked within its 21 square mile harbor area. This bay area and the 23 miles of ocean beach offer outstanding fishing, swimming, surfing and aquatic sports activities. The City has a permanent population of approximately 80,000. During the summer months, the population grows to over 100,000 with 20,000 to 100,000 tourists daily. There are fine residential areas, modern shopping facilities and a quality school system. A major campus of the University of California is located immediately adjacent to the City, and eight other colleges are within a 30-mile radius. Located 50 miles south of Los Angeles in Orange County, Newport Beach offers one of the finest climates in the United States.

REVENUE SUMMARY 2007-08

Fund/Revenue Category	2002-03 Actual Revenue	2003-04 Actual Revenue	2004-05 Actual Revenue	2005-06 Actual Revenue	2006-07 Estimated Revenue	2007-08 Proposed Revenue	Percent Increase (Decrease)
GENERAL FUND							
PROPERTY TAXES	39,474,865	43,631,829	56,254,917	63,608,570	70,493,414	73,083,537	3.67%
TAXES OTHER THAN PROPERTY	32,985,528	35,790,936	34,993,699	38,676,046	39,591,655	41,371,520	4.50%
LICENSES AND PERMITS	2,305,118	3,483,020	3,061,667	3,295,053	2,898,343	3,876,320	33.74%
INTERGOVERNMENTAL	6,035,742	6,014,233	4,266,673	3,935,190	6,336,272	2,333,100	-63.18%
CHARGES FOR CURRENT SERVICES	11,099,872	11,899,279	13,063,134	13,098,105	13,473,234	13,701,298	1.69%
FINES, FORFEITURES & PENALTIES	3,380,531	3,551,515	3,422,735	3,839,924	3,580,338	3,593,500	0.37%
USE OF MONEY AND PROPERTY	7,328,014	6,397,127	7,093,909	7,448,396	8,281,363	8,489,867	2.52%
OTHER REVENUE	1,173,647	216,898	1,138,281	1,645,515	2,841,354	515,800	-81.85%
TOTAL GENERAL FUND	103,783,317	110,984,837	123,295,015	135,546,799	147,495,973	146,964,943	-0.36%
ASSET FORFEITURE FUND							
INTERGOVERNMENTAL	47,795	59,652	233,471	95,697	40,000	40,000	0.00%
USE OF MONEY AND PROPERTY	13,556	1,638	3,750	1,639	5,000	5,250	5.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL FORFEITURE FUND	61,351	61,290	237,221	97,336	45,000	45,250	0.56%
SLESF - COPS FUND							
INTERGOVERNMENTAL	144,049	119,171	118,685	120,222	162,501	140,000	-13.85%
USE OF MONEY AND PROPERTY	295	240	972	1,328	2,000	2,100	5.00%
TOTAL SLESF - COPS FUND	144,344	119,411	119,658	121,550	164,501	142,100	-13.62%
JAG FUND (FORMERLY LLEBG)							
INTERGOVERNMENTAL	37,847	39,448	24,569	0	7,422	0	-100.00%
USE OF MONEY AND PROPERTY	933	2,975	414	0	0	0	0.00%
TOTAL LLEBG FUND	38,780	42,423	24,983	0	7,422	0	-100.00%
CDBG FUND							
INTERGOVERNMENTAL	3,235,483	0	559,698	532,350	717,037	447,432	-37.60%
USE OF MONEY AND PROPERTY	28,085	5,598	7,905	15,789	1,500	0	-100.00%
TOTAL CDBG FUND	3,263,568	5,598	567,603	548,139	718,537	447,432	-37.73%
STATE GAS TAX FUND							
INTERGOVERNMENTAL	1,332,751	1,484,796	1,497,280	1,501,409	1,807,500	1,507,500	-16.60%
USE OF MONEY AND PROPERTY	166,499	20,735	68,658	87,681	140,000	147,000	5.00%
OTHER REVENUE	0	0	0	1,340	0	0	0.00%
TOTAL GAS TAX FUND	1,499,250	1,505,531	1,565,938	1,590,430	1,947,500	1,654,500	-15.04%
TRAFFIC CONGESTION FUND							
INTERGOVERNMENTAL	192,176	0	0	266,503	699,791	0	-100.00%
USE OF MONEY AND PROPERTY	8,748	2,037	0	1,679	5,000	0	-100.00%
TOTAL TRAFFIC CONGESTN FUND	200,924	2,037	0	268,182	704,791	0	-100.00%
TIDELANDS FUND							
LICENSES, PERMITS AND FEES	1,039,967	1,230,464	1,276,362	1,327,560	1,260,700	1,291,525	2.45%
INTERGOVERNMENTAL	18,333	18,333	0	0	0	0	0.00%
CHARGES FOR SERVICES	56,422	38,560	42,400	37,260	68,960	40,000	-42.00%
FINES, FORFEITURES & PENALTIES	11,623	-514	-1,056	1,918	1,272	1,200	-5.66%
USE OF MONEY AND PROPERTY	5,374,101	5,696,396	6,224,026	7,482,416	6,927,105	8,158,238	17.77%
OTHER REVENUE	65,728	-2,384	0	2,724	0	0	0.00%
TOTAL TIDELANDS FUND	6,566,174	6,980,855	7,541,732	8,851,878	8,258,037	9,490,963	14.93%
CONTRIBUTIONS FUND							
INTERGOVERNMENTAL	314,433	1,308,217	4,673,822	2,536,633	3,710,538	654,320	-20.61%
USE OF MONEY AND PROPERTY	0	0	0	106,906	17,299	18,164	0.00%
OTHER REVENUE	54,625	50,000	0	219,144	50,554	540,000	0.00%
TOTAL CONTRIBUTIONS FUND	369,058	1,358,217	4,673,822	2,862,683	3,778,391	1,212,484	-67.91%
CIRCULATION AND TRANS FUND							
LICENSE, PERMITS AND FEES	855,301	681,046	411,229	893,083	300,000	300,000	0.00%
USE OF MONEY AND PROPERTY	249,237	27,585	88,169	92,022	148,000	155,400	5.00%
OTHER REVENUE	0	0	0	0	24,450	0	-100.00%
TOTAL CIRCULATION FUND	1,104,538	708,631	499,397	985,105	472,450	455,400	-3.61%
BUILDING EXCISE TAX FUND							
LICENSES, PERMITS AND FEES	197,133	210,086	218,976	193,266	150,000	150,000	0.00%
USE OF MONEY AND PROPERTY	12,405	1,692	7,579	9,657	10,000	10,500	5.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL BET FUND	209,538	211,778	226,556	202,923	160,000	160,500	0.31%

REVENUE SUMMARY 2007-08

Fund/Revenue Category	2002-03 Actual Revenue	2003-04 Actual Revenue	2004-05 Actual Revenue	2005-06 Actual Revenue	2006-07 Estimated Revenue	2007-08 Proposed Revenue	Percent Increase (Decrease)
MEASURE "M" FUND							
INTERGOVERNMENTAL	1,010,077	1,300,089	1,595,550	1,528,971	1,911,168	1,700,000	-11.05%
USE OF MONEY AND PROPERTY	89,002	12,192	43,788	78,218	56,928	59,774	5.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL MEASURE "M" FUND	<u>1,099,079</u>	<u>1,312,281</u>	<u>1,639,338</u>	<u>1,607,189</u>	<u>1,968,096</u>	<u>1,759,774</u>	<u>-10.58%</u>
BIKES & TRAILWAYS FUND							
INTERGOVERNMENTAL	0	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	3,878	309	0	0	0	0	0.00%
TOTAL BIKES & TRAILWAYS FUND	<u>3,878</u>	<u>309</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
AHRP FUND							
INTERGOVERNMENTAL	366,441	690,543	125	166	1,393,500	653,000	-53.14%
TOTAL ALRP FUND	<u>366,441</u>	<u>690,543</u>	<u>125</u>	<u>166</u>	<u>1,393,500</u>	<u>653,000</u>	<u>-53.14%</u>
AIR QUALITY MGMT FUND							
INTERGOVERNMENTAL	123,573	144,692	111,940	99,719	100,000	100,000	0.00%
USE OF MONEY AND PROPERTY	0	128	1,146	3,224	4,000	4,200	5.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL AQMD FUND	<u>123,573</u>	<u>144,820</u>	<u>113,086</u>	<u>102,943</u>	<u>104,000</u>	<u>104,200</u>	<u>0.19%</u>
ENVIRONMENTAL LIABILITY FUND							
OTHER REVENUE	414,803	332,813	358,247	453,140	370,000	392,000	5.95%
USE OF MONEY AND PROPERTY	79,954	10,135	39,112	53,524	76,000	79,800	5.00%
TOTAL ENVIRONMENTAL LIAB FD	<u>494,757</u>	<u>342,948</u>	<u>397,360</u>	<u>506,664</u>	<u>446,000</u>	<u>471,800</u>	<u>5.78%</u>
OIL SPILL REMEDIATION FUND							
TOTAL OTHER REVENUE	0	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	76,455	7,007	17,895	10,680	5,000	5,250	5.00%
TOTAL OIL SPILL FUND	<u>76,455</u>	<u>7,007</u>	<u>17,895</u>	<u>10,680</u>	<u>5,000</u>	<u>5,250</u>	<u>5.00%</u>
NEWPORT ANNEXATION FUND							
INTERGOVERNMENTAL	0	5,000,000	0	3,000,000	0	0	0.00%
USE OF MONEY AND PROPERTY	458,964	88,316	327,116	436,123	718,000	753,900	5.00%
TOTAL ANNEXATION FUND	<u>458,964</u>	<u>5,088,316</u>	<u>327,116</u>	<u>3,436,123</u>	<u>718,000</u>	<u>753,900</u>	<u>5.00%</u>
ASSESSMENT DISTRICT PROJECTS							
OTHER REVENUE	2,127,087	260,457	14,779,013	0	0	0	0.00%
USE OF MONEY AND PROPERTY	0	5,501	76,768	111,497	13,724	14,410	5.00%
TOTAL ASSESSMENT DISTRICT FUND	<u>2,127,087</u>	<u>265,958</u>	<u>14,855,781</u>	<u>111,497</u>	<u>13,724</u>	<u>14,410</u>	<u>5.00%</u>
CIOSA FUND							
OTHER REVENUE	1,981	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	218,056	26,551	75,339	65,052	120,000	126,000	5.00%
TOTAL CIOSA FUND	<u>220,037</u>	<u>26,551</u>	<u>75,339</u>	<u>65,052</u>	<u>120,000</u>	<u>126,000</u>	<u>5.00%</u>
BONITA CANYON DEV. FUND							
OTHER REVENUE	0	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	194,454	65,517	7,147	4,166	4,000	0	-100.00%
TOTAL BONITA CANYON DEV. FD.	<u>194,454</u>	<u>65,517</u>	<u>7,147</u>	<u>4,166</u>	<u>4,000</u>	<u>0</u>	<u>-100.00%</u>
MARINERS LIBRARY							
INTERGOVERNMENTAL	0	144,685	0	959,208	2,076,846	0	-100.00%
OTHER REVENUE	1,069,732	38,269	302,988	32,652	0	0	0.00%
USE OF MONEY AND PROPERTY	0	5,338	18,536	0	23,743	0	-100.00%
TOTAL MARINERS LIBRARY FUND	<u>1,069,732</u>	<u>188,292</u>	<u>321,524</u>	<u>991,860</u>	<u>2,100,589</u>	<u>0</u>	<u>-100.00%</u>
FIRE STATION #7							
INTERGOVERNMENTAL	0	0	2,500,000	0	1,600,000	0	-100.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	0	0	0	0	0	0	0.00%
TOTAL FIRE STATION #7 FD.	<u>0</u>	<u>0</u>	<u>2,500,000</u>	<u>0</u>	<u>1,600,000</u>	<u>0</u>	<u>-100.00%</u>
BACK BAY SCIENCE CENTER							
INTERGOVERNMENTAL	0	0	76,901	267,088	3,449,624	0	-100.00%
OTHER REVENUE	0	0	0	25,000	1,100,000	0	-100.00%
USE OF MONEY AND PROPERTY	0	0	960	0	0	0	0.00%
TOTAL BACK BAY SCIENCE CENTER	<u>0</u>	<u>0</u>	<u>77,860</u>	<u>292,088</u>	<u>4,549,624</u>	<u>0</u>	<u>-100.00%</u>
SAH COMMUNITY CENTER							
INTERGOVERNMENTAL	0	0	0	0	100,859	0	-100.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	0	0	0	0	0	0	0.00%
TOTAL SAL COMMUNITY CENTER	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,859</u>	<u>0</u>	<u>-100.00%</u>

REVENUE SUMMARY 2007-08

Fund/Revenue Category	2002-03 Actual Revenue	2003-04 Actual Revenue	2004-05 Actual Revenue	2005-06 Actual Revenue	2006-07 Estimated Revenue	2007-08 Proposed Revenue	Percent Increase (Decrease)
MISC SAH PROJECTS							
INTERGOVERNMENTAL	0	0	0	0	650,000	7,528,000	1058.15%
OTHER REVENUE	0	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	0	0	0	0	0	0	0.00%
TOTAL MISC SAL PROJECTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>650,000</u>	<u>7,528,000</u>	<u>1058.15%</u>
WATER ENTERPRISE FUND							
LICENSES, PERMITS AND FEES	0	0	0	0	0	0	0.00%
INTERGOVERNMENTAL	0	1,608,507	787,523	1,779,557	0	0	0.00%
CHARGES FOR SERVICES	16,228,130	16,655,234	16,677,054	16,098,693	17,261,743	17,932,085	3.88%
USE OF MONEY AND PROPERTY	837,322	128,259	304,820	325,637	650,000	682,500	5.00%
OTHER REVENUE	261,152	-70,877	108,620	-177,137	37,810	16,000	-57.68%
TOTAL WATER FUND	<u>17,326,604</u>	<u>18,321,123</u>	<u>17,878,017</u>	<u>18,026,750</u>	<u>17,949,553</u>	<u>18,630,585</u>	<u>3.79%</u>
WASTEWATER ENTERPRISE FUND							
INTERGOVERNMENTAL	0	105	664	152,790	0	0	0.00%
CHARGES FOR SERVICES	2,729,781	2,858,223	2,882,723	3,129,915	3,314,948	3,739,330	12.80%
USE OF MONEY AND PROPERTY	138,873	16,986	58,385	56,280	140,000	147,000	5.00%
OTHER REVENUE	39,160	-312,876	17,285	-33,509	16,895	3,184	-81.15%
TOTAL WASTEWATER FUND	<u>2,907,814</u>	<u>2,562,438</u>	<u>2,959,058</u>	<u>3,305,476</u>	<u>3,471,843</u>	<u>3,889,514</u>	<u>12.03%</u>
INSURANCE RESERVE FUND							
WORKERS' COMP PREMIUM	3,199,425	3,199,597	3,199,597	3,199,424	3,199,421	3,199,421	0.00%
GENERAL LIABILITY PREMIUM	1,827,779	1,828,697	1,829,081	1,828,697	3,328,697	3,328,697	0.00%
DISABILITY INSURANCE PREMIUM	0	0	0	172	0	0	0.00%
OTHER REVENUE	328,917	37,094	145,801	214,767	225,000	236,631	5.17%
TOTAL INSURANCE FUND	<u>5,356,121</u>	<u>5,065,388</u>	<u>5,174,479</u>	<u>5,243,060</u>	<u>6,753,118</u>	<u>6,764,749</u>	<u>0.17%</u>
RETIREE MEDICAL FUND							
CHARGES FOR SERVICES	1,532,299	1,629,794	1,482,274	1,383,791	420,000	1,470,500	250.12%
USE OF MONEY AND PROPERTY	72,743	10,160	0	104,321	212,500	223,125	5.00%
TOTAL RETIREE MEDICAL FUND	<u>1,605,042</u>	<u>1,639,954</u>	<u>1,482,274</u>	<u>1,488,112</u>	<u>632,500</u>	<u>1,693,625</u>	<u>167.77%</u>
COMPENSATED ABSENCE FUND							
CHARGES FOR SERVICES	1,455,909	1,522,614	1,576,627	1,583,803	2,031,897	2,104,243	3.56%
USE OF MONEY AND PROPERTY	61,062	7,873	28,914	26,708	40,075	42,079	5.00%
TOTAL COMP. ABSENCE FUND	<u>1,516,971</u>	<u>1,530,487</u>	<u>1,605,542</u>	<u>1,610,511</u>	<u>2,071,972</u>	<u>2,146,322</u>	<u>3.59%</u>
EQUIPMENT MAINTENANCE FUND							
INTERGOVERNMENTAL	0	75	0	0	0	0	0.00%
EQUIPMENT MAINTENANCE	1,523,806	1,704,155	1,819,912	1,779,264	1,989,590	2,050,000	3.04%
EQUIPMENT REPLACEMENT	2,696,264	2,743,083	2,922,406	2,380,011	2,515,148	2,700,000	7.35%
OTHER REVENUE	787,024	172,644	354,518	368,613	373,937	372,630	-0.35%
TOTAL EQUIPMENT FUND	<u>5,007,094</u>	<u>4,619,957</u>	<u>5,096,836</u>	<u>4,527,888</u>	<u>4,878,675</u>	<u>5,122,630</u>	<u>5.00%</u>
PD EQUIPMENT MAINTENANCE FUND							
EQUIPMENT REPLACEMENT	0	0	0	611,916	878,570	878,570	0.00%
OTHER REVENUE	0	0	0	40,361	101,018	81,750	-19.07%
TOTAL PD EQUIPMENT FUND	<u>0</u>	<u>0</u>	<u>0</u>	<u>652,277</u>	<u>979,588</u>	<u>960,320</u>	<u>-1.97%</u>
ACKERMAN FUND							
USE OF MONEY AND PROPERTY	11,013	4,878	19,895	25,121	40,000	42,000	5.00%
OTHER REVENUE	185,000	1,981,286	0	0	0	0	0.00%
TOTAL ACKERMAN TRUST FUND	<u>196,013</u>	<u>1,986,164</u>	<u>19,895</u>	<u>25,121</u>	<u>40,000</u>	<u>42,000</u>	<u>5.00%</u>
NEWPORT BAY DREDGING FUND							
USE OF MONEY AND PROPERTY	132	17	68,718	99,719	160,000	168,000	5.00%
OTHER REVENUES	0	0	3,854,000	0	0	0	0.00%
TOTAL BACK BAY DREDGING	<u>132</u>	<u>17</u>	<u>3,922,718</u>	<u>99,719</u>	<u>160,000</u>	<u>168,000</u>	<u>N/A</u>
TOTAL ALL FUNDS	<u>157,391,090</u>	<u>165,838,678</u>	<u>197,223,315</u>	<u>193,182,367</u>	<u>214,463,243</u>	<u>211,407,651</u>	<u>-1.42%</u>
Less: Internal Premiums	(12,235,482)	(12,627,940)	(12,829,898)	(12,767,078)	(14,363,323)	(15,731,431)	N/A
TOTAL ALL CITY FUNDS, NET OF INTERNAL PREMIUMS	<u>145,155,608</u>	<u>153,210,738</u>	<u>184,393,418</u>	<u>180,415,289</u>	<u>200,099,920</u>	<u>195,676,220</u>	<u>-2.21%</u>

EXPENDITURES BY FUND

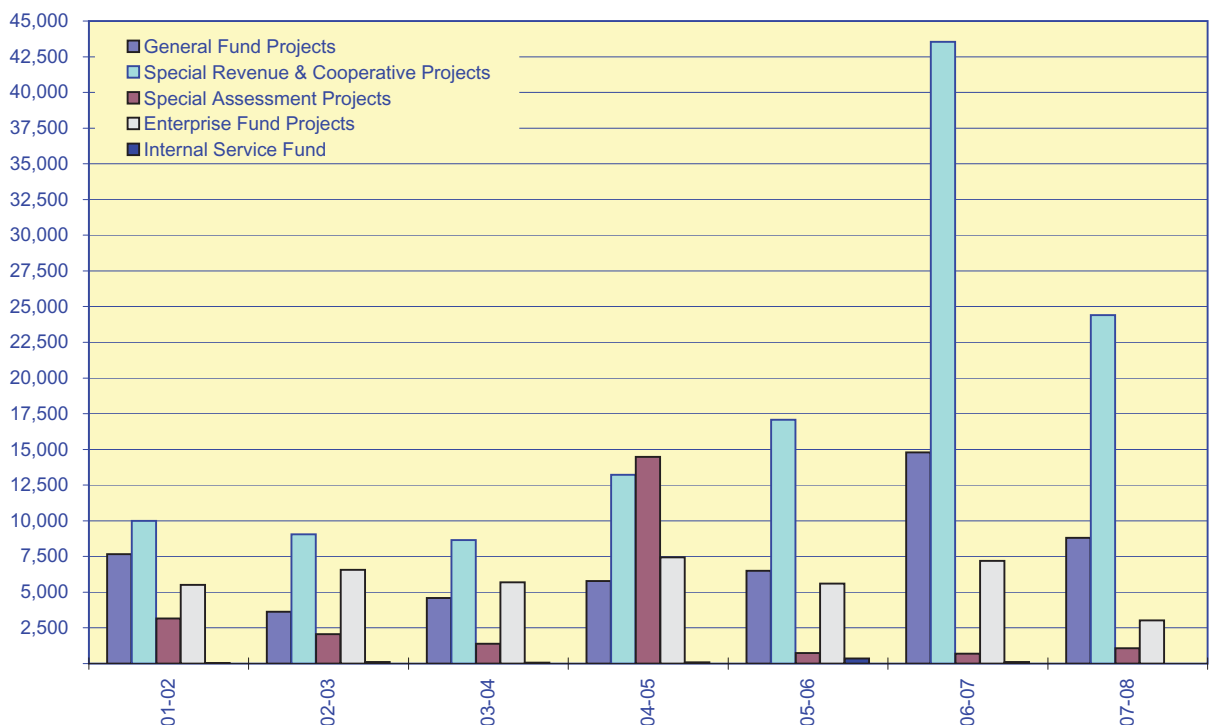
Function and Activities	2002-03 Actual Expenditures	2003-04 Actual Expenditures	2004-05 Actual Expenditures	2005-06 Actual Expenditures	2006-07 Estimated Expenditures	2007-08 Proposed Expenditures	% of Total Operating Budget
GENERAL FUND BUDGET							
General Government							
City Council	1,327,729	973,213	1,544,885	1,452,411	1,779,010	1,187,697	1.04%
City Clerk	355,940	294,781	375,456	424,080	511,109	382,780	0.30%
City Manager	994,278	1,956,574	1,038,657	1,491,403	1,732,695	1,357,272	1.01%
Human Resources	1,146,646	1,165,004	1,288,208	1,555,731	1,685,036	1,831,929	0.98%
City Attorney	868,117	1,071,588	970,473	1,020,120	1,052,680	1,062,509	0.61%
Administrative Services	4,996,566	5,278,946	5,655,488	6,587,456	7,660,214	7,449,877	4.46%
Total General Government	9,689,276	10,740,106	10,873,169	12,531,201	14,420,744	13,272,064	8.40%
Public Safety							
Police Department	30,385,765	32,448,435	34,492,665	38,172,037	40,122,056	41,463,875	23.37%
Fire Department	22,014,685	24,029,946	24,601,409	26,821,147	29,416,355	29,587,854	17.13%
Total Public Safety	52,400,450	56,478,381	59,094,074	64,993,184	69,538,411	71,051,729	40.50%
Community Development							
City Manager		476,286	526,477	510,540	647,131	663,325	
Planning	2,447,129	2,217,737	2,181,631	3,294,195	3,143,021	2,753,070	1.83%
Building	2,815,996	3,065,671	3,292,619	3,801,161	3,757,477	3,774,923	2.19%
Total Community Development	5,263,125	5,759,694	6,000,727	7,605,896	7,547,629	7,191,318	4.16%
Public Works							
General Services	15,416,692	16,741,145	18,315,517	19,553,413	21,790,907	22,684,331	12.69%
Public Works	3,503,545	3,754,009	4,056,923	4,561,179	5,138,911	5,082,383	2.99%
Utilities	1,343,414	1,024,651	1,095,695	1,188,143	1,149,526	1,215,731	0.67%
Total Public Works	20,263,651	21,519,804	23,468,135	25,302,735	28,079,344	28,982,445	16.35%
Community Services							
City Council - Centennial	-	-	94,036	601,375	509,642	-	0.30%
Recreation & Sr. Services	3,007,581	3,358,550	3,895,533	4,529,417	5,364,908	6,060,219	3.12%
Libraries & Arts	5,168,319	5,090,337	5,172,456	5,819,796	6,393,912	5,921,538	3.72%
Total Community Services	8,175,900	8,448,888	9,162,025	10,950,588	12,268,462	11,981,757	7.14%
General Fund Debt Service							
	-	-	-	-	-	-	0.00%
Total General Fund Op. Budget	95,792,402	102,946,873	108,598,130	121,383,604	131,854,590	132,479,313	76.79%
General Fund CIPs							
	4,379,362	4,594,096	5,790,097	6,505,345	14,801,081	8,808,950	8.62%
Total General Fund Budget	100,171,764	107,540,969	114,388,227	127,888,949	146,655,671	141,288,263	85.41%
ENTERPRISE FUNDS							
Water - Operations	11,372,485	13,667,812	12,930,701	13,431,054	15,112,742	15,096,939	8.80%
Water - CIP	4,935,134	5,007,460	6,178,645	4,394,566	6,173,554	2,039,000	3.60%
Water - Debt Service	1,650,573	1,622,958	1,646,550	1,592,119	1,589,000	1,618,833	0.93%
Wastewater - Operations	1,893,290	2,221,135	2,188,180	2,241,047	2,682,210	2,639,889	1.56%
Wastewater - CIP	1,635,551	687,808	1,269,143	1,212,711	2,468,772	984,000	1.44%
Total Enterprise Funds	21,487,033	23,207,173	24,213,218	22,871,497	28,026,278	22,378,661	16.32%
INTERNAL SERVICE FUNDS							
Insurance Reserve	8,776,529	6,228,971	8,574,542	5,340,252	5,388,689	5,446,500	3.14%
Equipment Fund - Operations	3,824,754	3,687,090	3,565,439	4,228,344	5,843,668	3,954,068	3.40%
Equipment Fund - CIP	111,346	69,336	93,054	348,461	101,332	-	0.06%
Equipment Fund - Debt Service	831,589	459,776	27,849	268,316	119,568	49,820	0.07%
PD Equipment Replacement	-	-	-	413,133	781,864	514,000	0.46%
Compensated Absences	1,807,921	918,644	1,579,160	2,934,444	1,206,000	1,206,000	0.70%
Retiree Medical	1,132,143	1,199,235	1,735,921	2,326,967	1,974,956	3,133,000	1.15%
Total Internal Service Funds	16,484,282	12,563,052	15,575,966	15,859,917	15,416,077	14,303,388	8.98%
OTHER FUNDS							
Police Grants	309,680	318,639	382,778	268,885	216,759	198,697	0.13%
CDBG - Operations	150,623	149,981	136,690	187,327	135,692	129,000	0.08%
CDBG - Debt Service	72,846	183,581	186,301	189,514	191,224	193,482	0.11%
Tidelands - Harbor Resources	1,078,207	1,178,187	1,189,389	1,780,139	1,985,898	1,930,168	1.16%
Tidelands - Oil and Gas	357,693	365,699	419,482	597,383	478,514	601,259	0.28%
Tidelands - Debt Service	237,062	237,062	237,062	237,062	237,062	237,062	0.14%
AQMD	130,641	96,003	66,297	28,350	26,415	26,415	0.02%
Environmental Liability	195,340	154,389	273,392	176,764	90,000	90,000	0.05%
Newport Annexation - Debt Service	1,243,300	1,200,000	1,390,453	1,200,000	1,200,000	1,200,000	0.70%
Library - Debt Service	565,925	567,935	564,514	569,875	567,780	569,730	0.33%
CIOSA Debt Service	-	-	-	-	-	270,000	
Ackerman Fund	128,500	1,200,272	102,543	5,575	24,482	24,400	0.01%
All Other CIP	10,349,038	10,026,068	27,695,953	17,824,977	57,517,709	25,484,185	33.50%
Total Other Funds	14,818,855	15,677,816	32,644,853	23,065,851	62,671,535	30,954,398	36.50%
TOTAL OPERATING BUDGET	131,551,503	138,604,242	145,795,373	159,400,154	171,707,113	171,608,575	100.00%
TOTAL CIP	21,410,431	20,384,768	41,026,891	30,286,060	81,062,448	37,316,135	
TOTAL CITY BUDGET	152,961,934	158,989,010	186,822,264	189,686,214	252,769,561	208,924,710	
LESS: INTERNAL CHARGES	(12,235,482)	(12,627,940)	(12,829,898)	(12,767,078)	(14,363,323)	(15,731,431)	
TOTAL BUDGET NET OF INTERNAL CHARGES	140,726,452	146,361,070	173,992,366	176,919,136	238,406,238	193,193,279	

2007-08 EXPENDITURES BY DEPARTMENT

	Salaries & Benefits	% of Total	Maintenance and Operation	% of Total	Capital Outlay	% of Total	Debt Service	Total Budget	% of Total
DEPARTMENT SERVICES									
City Council	244,778	0.23%	935,919	1.70%	7,000	0.18%	-	1,187,697	0.57%
City Clerk	327,976	0.30%	54,804	0.10%	-	0.00%	-	382,780	0.18%
City Manager	2,709,096	2.50%	1,203,669	2.19%	38,000	0.96%	-	3,950,765	1.89%
Human Resources	1,160,269	1.07%	663,660	1.21%	8,000	0.20%	-	1,831,929	0.88%
City Attorney	820,204	0.76%	238,305	0.43%	4,000	0.10%	-	1,062,509	0.51%
Administrative Services	5,848,508	5.39%	1,208,450	2.20%	392,919	9.90%	-	7,449,877	3.57%
Police	34,357,562	31.66%	6,693,543	12.17%	412,770	10.40%	-	41,463,875	19.85%
Fire	24,629,190	22.69%	4,656,329	8.47%	302,335	7.62%	-	29,587,854	14.16%
Planning	2,279,203	2.10%	545,117	0.99%	57,750	1.45%	-	2,882,070	1.38%
Building	3,439,822	3.17%	308,601	0.56%	26,500	0.67%	-	3,774,923	1.81%
General Services	9,867,671	9.09%	12,754,560	23.20%	62,100	1.56%	-	22,684,331	10.86%
Library Services (incl Cultural Arts)	4,333,696	3.99%	1,463,642	2.66%	124,200	3.13%	-	5,921,538	2.83%
Recreation and Sr. Services	3,018,750	2.78%	2,963,719	5.39%	77,750	1.96%	-	6,060,219	2.90%
Public Works	4,180,147	3.85%	871,136	1.58%	31,100	0.78%	-	5,082,383	2.43%
Utilities	5,579,606	5.14%	13,903,562	25.29%	70,650	1.78%	-	19,553,818	9.36%
INTERNAL SERVICES									
Insurance Reserve	-	0.00%	5,446,500	9.91%	-	0.00%	-	5,446,500	2.61%
Equipment Maint. & Replacement	1,358,079	1.25%	677,789	1.23%	1,918,200	48.32%	-	3,954,068	1.89%
PD Equipment Replacement	-	0.00%	94,000	0.17%	420,000	10.58%	-	514,000	0.25%
Compensated Absence	1,206,000	1.11%	-	0.00%	-	0.00%	-	1,206,000	0.58%
Retiree Medical	3,058,000	2.82%	75,000	0.14%	-	0.00%	-	3,133,000	1.50%
DEBT SERVICE									
Office Equipment Leases	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
CDBG Balboa Village Loan	-	0.00%	-	0.00%	-	0.00%	193,482	193,482	0.09%
Balboa Yacht Basin Construction Loan	-	0.00%	-	0.00%	-	0.00%	237,062	237,062	0.11%
Circulation and Transportation	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
Newport Annexation	-	0.00%	-	0.00%	-	0.00%	1,200,000	1,200,000	0.57%
Central Library Construction	-	0.00%	5,250	0.01%	-	0.00%	564,480	569,730	0.27%
CIOSA	-	0.00%	-	0.00%	-	0.00%	270,000	270,000	0.13%
Groundwater Improvement Bonds	-	0.00%	5,000	0.01%	-	0.00%	1,613,833	1,618,833	0.77%
Rolling Stock Leases	-	0.00%	-	0.00%	-	0.00%	49,820	49,820	0.02%
OTHER ACTIVITIES									
Narcotic Asset Forfeiture	-	0.00%	61,907	0.11%	16,790	0.42%	-	78,697	0.04%
SLESF	109,721	0.10%	10,279	0.02%	-	0.00%	-	120,000	0.06%
LLEBG	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
AQMD	-	0.00%	26,415	0.05%	-	0.00%	-	26,415	0.01%
Environmental Liability Fund	-	0.00%	90,000	0.16%	-	0.00%	-	90,000	0.04%
Ackerman Donation	-	0.00%	24,400	0.04%	-	0.00%	-	24,400	0.01%
Capital Improvement Projects	-	0.00%	-	0.00%	-	0.00%	-	37,316,135	17.86%
Total Budget	108,528,278	100.00%	54,981,556	100.00%	3,970,064	100%	4,128,677	208,924,710	100.00%
Less: Internal Charges	(6,774,164)		(8,957,267)		-		-	(15,731,431)	
Total Budget Net of Internal Charges	101,754,114		46,024,289		3,970,064		4,128,677	193,193,279	
		% OF BUDGET	% OF TOTAL BUDGET		GENERAL FUND	% OF BUDGET	% OF TOTAL BUDGET		
OPERATING BUDGET	TOTAL	TYPE	BUDGET		FUND	TYPE	BUDGET		
Salaries and Benefits	108,528,278	63.24%	51.95%		96,687,165	72.98%	68.43%		
Maintenance and Operation	54,981,556	32.04%	26.32%		34,258,074	25.86%	24.25%		
Capital Outlay	3,970,064	2.31%	1.90%		1,534,074	1.16%	1.09%		
Debt Service	4,128,677	2.41%	1.98%		-	0.00%	0.00%		
Total Operating Budget	171,608,575	100.00%	82.14%		132,479,313	100.00%	93.77%		
CAPITAL IMPROVEMENTS	37,316,135	100.00%	17.86%		8,808,950	100.00%	6.23%		
TOTAL BUDGET	208,924,710	100.00%	100.00%		141,288,263	100.00%	100.00%		

Historical Capital Projects Spending (dollars in thousands)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
General Fund Projects							
General Fund	7,656	3,625	4,594	5,790	6,505	14,801	8,809
Special Revenue, Cooperative Projects & Others							
CDBG	526	1,826	721	59	704	77	110
Gas Tax	2,107	1,622	1,549	1,476	2,231	1,851	4,114
Tidelands	958	858	910	887	942	2,285	2,354
Contributions	166	834	1,857	2,464	1,837	11,301	3,317
Circulation & Transportation	247	957	1,122	508	1,616	2,443	1,273
Building Excise Tax	640	180	154	170	297	277	340
Measure M	972	985	1,248	1,044	1,607	2,630	3,593
Bike & Trailways	-	58	-	-	-	-	-
AHRP Fund	527	679	85	-	72	1,328	653
Environmental Liability	-	-	-	-	-	-	635
Traffic Congestion Relief	539	363	85	-	255	701	176
American Trader Oil Spill Remediation	3,319	564	609	54	802	121	-
Newport Coast Annexation	-	32	7	375	850	6,157	-
Mariners Library	-	90	299	1,785	4,219	472	-
Fire Station #7	-	-	-	4,402	575	7,089	-
City Hall	-	-	-	-	417	7	-
Back Bay Science Center	-	-	-	-	450	6,575	-
SAH Community Center	-	-	-	-	101	-	-
Misc SAH Projects	-	-	-	-	102	236	7,841
Special Assessment Projects							
Assessment Districts	1,670	1,697	782	12,373	504	599	-
CIOSA Development	148	295	516	1,245	225	-	1,079
Bonita Canyon Development	1,343	63	82	856	22	93	-
Enterprise Fund Projects							
Water	4,447	4,935	5,008	6,179	4,395	4,924	2,039
Sewer	1,073	1,636	688	1,269	1,213	2,269	984
Internal Service Fund							
Equipment Maintenance	45	111	69	93	348	101	-
Annual Totals	26,383	21,410	20,385	41,027	30,286	66,333	37,316



OPERATING EXPENDITURES - ALL FUNDS

Acct Code	Activity - Function	Council 0100	City Clerk 0200	City Mgr. 0300	HR 0400	City Atty. 0500	Admin Svc. 0600	Police 1800
7000	SALARIES - MISC	-	238,949	1,783,202	767,571	394,493	4,031,474	5,785,501
7010	SALARIES - SAFETY	-	-	-	-	-	-	13,580,667
7020	SALARIES - PERM PART TIME & TEMP	50,000	-	230,024	103,215	257,087	233,511	744,171
7040	OVERTIME, MISC	-	1,221	21,604	2,273	-	17,017	261,932
7041	OVERTIME, SAFETY	-	-	-	-	-	-	1,011,487
7042	OVERTIME, PLANNED	-	-	-	-	-	-	-
7043	OVERTIME, VACATION RELIEF	-	-	-	-	-	-	-
7044	OVERTIME, UNCONTROLLED	-	-	-	-	-	-	-
7059	PACKER/CALLBACK/STANDBY PAY	-	-	-	-	-	-	-
7060	COPTER,TILLER, HAZ MAT & BILINGUAL	-	-	-	1,800	-	9,000	38,400
7062	NIGHT DIFF, MISC	-	-	4,500	-	-	-	49,947
7063	CERTIFICATION PAY & LONGEVITY PAY	-	-	-	-	-	-	59,638
7070	SCHOLASTIC ACHIEVEMENT	-	-	-	-	-	-	536,336
7072	HOLIDAY PAY, MISC & SAFETY	-	-	-	-	-	-	890,978
7085	UNEMPLOYMENT & TERMINATION PAY	-	-	-	-	-	-	-
7088	PAID FLEX/SPILLOVER PAY	-	-	-	-	-	-	-
7100	COUNCIL ALLOWANCES	102,407	-	-	-	-	-	-
7210	HEALTH/DENTAL/VISION	72,484	31,064	222,628	93,193	31,064	579,869	2,627,352
7226	RETIREE INSURANCE - MERP	9,285	2,028	8,112	2,892	1,200	13,350	44,947
7250	SALARY SAVINGS/REIMBURSEMENT	80	-	-	-	-	-	(85,000)
7251	RETIREE INSURANCE	-	-	-	-	-	-	-
7270	OTHER MISC BENEFITS	-	-	5,400	-	-	-	-
7290	LIFE INSURANCE	-	342	2,421	994	342	6,238	27,084
7295	EMPLOYEE ASSISTANCE	-	73	524	219	73	1,364	5,846
7370	WORKERS' COMP, MISC	-	3,524	37,957	6,368	9,550	88,609	82,890
7371	WORKERS' COMP, SAFETY	-	-	-	-	-	-	1,072,348
7373	COMPENSATED ABSENCES	-	8,363	62,412	26,865	13,807	141,102	678,171
7425	MEDICARE FRINGES	1,485	3,465	28,177	12,652	9,448	52,878	253,702
7439	PERS EMPLOYEE CNTRBN-MISC	2,899	16,726	126,412	61,081	43,902	287,334	446,040
7440	PER EMPLOYER CONTRBN-MISC	3,851	22,221	167,937	81,145	58,323	381,596	592,558
7441	PERS EMPLOYER CNTRBN-SAFE	-	-	-	-	-	-	4,285,535
7442	PERS EMPLOYEE CNTRBN-SAFE	-	-	-	-	-	-	1,355,858
7460	RETIREMENT PART TIME/TEMP	2,287	-	7,786	-	915	5,167	11,174
	SUBTOTAL SALARY & BENEFITS	244,778	327,976	2,709,096	1,160,269	820,204	5,848,509	34,357,562
8010	ADVERT & PUB RELATIONS	4,000	10,000	5,000	39,000	-	-	18,885
8020	AUTOMOTIVE SERVICE	-	-	5,650	-	-	7,350	328,203
8022	EQUIPMENT MAINTENANCE	-	-	22,810	-	-	38,021	-
8023	AUTOMOTIVE PURCHASE	-	-	-	-	-	18,000	75,000
8024	EQUIPMENT REPLACEMENT	-	-	20,781	-	-	29,733	843,570
8030	MAINT & REPAIR - EQUIP	150	18,939	10,036	9,982	900	409,959	83,850
8040	MAINT & REPAIR - FACILITIES	-	-	20,320	-	-	35,000	200,228
8050	PSTGE,FREIGHT,EXPRESS NOC	1,000	3,500	10,800	11,500	2,500	42,394	60,815
8060	PUBLICATIONS & DUES NOC	50,000	650	10,240	3,500	2,050	13,450	23,162
8070	RENTAL/PROP & EQUIP NOC	-	-	5,700	-	-	7,280	52,350
8080	SERVICES-PROF & TECH NOC	305,000	8,400	872,497	454,000	200,650	200,132	587,488
80802	SERVICES-OTHER SPECIAL	-	-	-	-	-	-	-
80805	SERVICES-TREE RELATED	-	-	-	-	-	-	-
8081	SERVICES-JANITORIAL	-	-	11,300	-	-	-	97,751
8091	SERVICES-COMPUTER CONSULT	-	-	-	-	-	-	73,297
8100	TRAVEL & MEETINGS NOC	9,000	4,100	12,200	7,500	2,000	20,300	10,770
8105	TRAINING	3,000	-	9,000	10,500	3,500	34,500	200,233
8106	TRAINING, POST	-	-	-	-	-	-	94,750
8107	TRAINING, CITY WIDE	-	-	-	59,000	-	-	-
8112	UTILITIES - TELEPHONE	-	960	11,600	2,660	2,700	168,140	213,517
8114	UTILITIES - NATURAL GAS	-	-	500	-	-	-	3,800
8116	UTILITIES - ELECTRICITY	-	-	54,600	-	-	-	168,000
8117	UTILITIES-ELCTRIC VEH PGM	-	-	-	-	-	-	-
8118	UTILITIES - WATER	-	-	5,000	-	-	-	5,000
8140	SUPPLIES- OFFICE NOC	4,000	7,000	29,000	14,018	6,000	62,966	65,285
8142	SUPPLIES- COMPUTER/COPY MACHINE	-	-	-	-	-	12,175	41,500
8145	SUPPLIES-AUTO PARTS EXPNS	-	-	-	-	-	-	77,000
8148	SUPPLS-CHKS/INVOICES/FRMS	-	-	-	-	-	6,800	-
8150	SUPPLIES- JANITORIAL NOC	-	-	1,500	-	-	100	13,000
8155	WASTEWATER/SEWER PROGRAMS	-	-	-	-	-	-	-
8156	WELLS & STATION MAINTENANCE	-	-	-	-	-	-	-
8160	MAINT & REPAIR MATRLS NOC	-	600	31,468	-	-	4,700	20,000
8165	MAINT - IRRIGATION REPAIR	-	-	-	-	-	-	-
8166	MAINT - STORM DRAINS	-	-	-	-	-	-	-
8170	MAINT - BEACH CLEANING	-	-	40,000	-	-	-	-
8173	MAINT-BLDG/PLYGRND EQ RPR	-	-	-	-	-	-	-
8176	MAINT - TRAFFIC CONTROL	-	-	-	-	-	-	-

Acct Code	Fire 2300	Planning 2700	Building 2900	Gen. Svcs. 3100	Library 4000	Rec&Sr Svc 4500	Pub. Works 5000	Utilities 5900	Internal Svc 6000	Other Activities	Total
7000	1,010,223	1,609,511	2,392,104	6,223,509	2,348,494	1,592,805	3,012,713	3,475,120	901,390	-	35,567,059
7010	11,013,488	-	-	-	-	-	-	-	-	-	24,594,155
7020	1,252,361	9,052	95,102	31,543	912,426	674,063	98,546	220,007	-	-	4,911,108
7040	-	49,704	47,007	427,033	8,788	9,037	6,476	174,742	17,796	-	1,044,630
7041	-	-	-	-	-	-	-	-	-	-	1,011,487
7042	519,060	-	-	-	-	-	-	-	-	-	519,060
7043	1,478,814	-	-	-	-	-	-	-	-	-	1,478,814
7044	883,157	-	-	-	-	-	-	-	-	-	883,157
7059	80,797	-	-	85,997	-	-	-	85,712	1,106	-	253,612
7060	18,396	-	5,400	-	-	1,800	-	-	-	-	74,796
7062	-	150	-	-	10,074	475	-	2,325	-	-	67,471
7063	123,705	-	35,750	14,650	-	990	2,432	25,700	6,500	-	269,365
7070	358,934	-	-	-	-	-	-	-	-	-	895,270
7072	281,951	-	-	-	-	-	-	-	-	-	1,172,929
7085	-	-	-	-	-	-	-	-	778,875	-	778,875
7088	-	-	-	-	-	-	-	-	376,875	-	376,875
7100	-	-	-	-	-	-	-	-	-	-	102,407
7210	1,584,284	238,160	300,289	1,159,738	414,192	279,580	341,708	553,982	155,322	-	8,684,909
7226	21,528	5,700	4,908	18,540	3,216	1,926	5,052	10,194	648	-	153,526
7250	-	-	(8,500)	-	-	-	-	-	300,000	109,721	316,301
7251	-	-	-	-	-	-	-	-	2,808,250	-	2,808,250
7270	39,125	-	-	-	-	-	-	-	-	-	44,525
7290	17,353	2,535	3,285	12,016	4,140	2,829	3,760	5,919	1,676	-	90,934
7295	3,727	560	706	2,728	974	658	804	1,303	365	-	19,924
7370	23,449	24,714	49,139	590,560	61,170	50,917	69,074	286,394	84,373	-	1,468,688
7371	658,386	-	-	-	-	-	-	-	-	-	1,730,734
7373	420,830	56,333	83,724	217,823	80,444	55,748	105,445	121,629	31,549	-	2,104,245
7425	151,466	20,102	30,735	64,427	43,442	31,301	38,991	37,799	10,232	-	790,302
7439	71,656	112,666	170,328	437,416	182,845	129,137	211,060	245,461	63,184	-	2,608,147
7440	95,193	149,675	226,278	581,100	242,907	171,557	280,391	326,092	83,939	-	3,464,763
7441	3,398,976	-	-	-	-	-	-	-	-	-	7,684,511
7442	1,075,368	-	-	-	-	-	-	-	-	-	2,431,226
7460	46,964	339	3,566	591	20,584	15,927	3,695	7,227	-	-	126,222
	24,629,190	2,279,201	3,439,821	9,867,671	4,333,696	3,018,750	4,180,147	5,579,606	5,622,079	109,721	108,528,278
8010	57,300	9,600	-	1,000	17,000	-	-	4,000	-	14,460	180,245
8020	151,314	500	8,000	366,260	2,500	29,250	5,600	91,500	8,500	7,500	1,012,127
8022	459,165	3,309	39,702	1,084,762	6,725	54,143	39,436	358,434	32,328	-	2,138,835
8023	-	-	-	22,000	18,000	22,000	-	35,000	-	-	190,000
8024	1,084,523	1,830	32,379	1,165,149	5,492	58,830	30,505	392,120	17,156	8,347	3,690,415
8030	150,690	8,200	33,100	13,000	76,530	10,335	251,310	10,450	3,975	-	1,091,406
8040	248,059	-	-	156,359	86,620	70,000	-	39,950	-	-	856,536
8050	23,120	12,000	3,400	1,500	18,000	49,448	3,906	50,000	-	-	293,883
8060	26,148	12,000	4,450	1,250	2,810	3,005	8,100	6,550	1,500	-	168,865
8070	70,443	-	500	12,200	1,200	103,000	-	6,200	-	10,279	269,152
8080	417,223	70,000	102,000	3,462,298	43,164	1,724,262	115,097	246,800	156,000	11,050	8,976,061
80802	-	-	-	839,107	-	-	-	-	-	-	839,107
80805	-	-	-	180,000	-	-	-	-	-	-	180,000
8081	8,721	-	-	280,840	75,225	126,963	-	1,500	-	-	602,300
8091	-	-	-	-	-	-	-	-	-	-	73,297
8100	57,830	19,000	5,600	6,050	9,050	8,000	8,000	5,250	4,275	-	188,925
8105	57,324	17,000	17,500	6,000	7,900	18,950	11,000	18,700	5,000	25,800	445,907
8106	-	-	-	-	-	-	-	-	-	-	94,750
8107	-	-	-	-	-	-	-	-	-	-	59,000
8112	59,908	750	11,045	20,300	10,285	13,474	18,400	33,800	3,000	-	570,539
8114	12,035	-	-	13,000	31,853	22,100	-	2,000	2,500	-	87,788
8116	89,169	-	-	167,500	156,828	114,500	-	1,594,775	23,000	-	2,368,372
8117	-	-	-	-	-	-	-	-	500	-	500
8118	21,300	-	-	661,000	14,454	32,303	19,900	28,000	-	-	786,957
8140	28,050	8,500	12,100	6,650	42,070	36,448	-	5,600	1,000	-	328,687
8142	62,477	-	-	-	5,870	-	-	-	-	-	122,022
8145	-	-	-	-	-	-	-	-	348,500	-	425,500
8148	11,750	-	-	-	-	-	-	-	-	-	18,550
8150	22,950	-	-	61,417	22,100	34,578	-	1,500	-	-	157,145
8155	-	-	-	-	-	-	-	15,000	-	-	15,000
8156	-	-	-	-	-	-	-	204,000	-	-	204,000
8160	28,220	1,000	-	200,625	15,450	15,966	1,800	20,000	-	-	339,829
8165	-	-	-	28,093	-	-	-	-	-	-	28,093
8166	-	-	-	60,400	-	-	-	-	-	-	60,400
8170	-	-	-	17,600	-	-	-	465,000	-	-	522,600
8173	-	-	-	5,000	-	-	-	-	-	-	5,000
8176	-	-	-	6,500	-	-	-	-	-	-	6,500

OPERATING EXPENDITURES - ALL FUNDS

Acct Code	Activity - Function	Council 0100	City Clerk 0200	City Mgr. 0300	Human Res 0400	City Atty. 0500	Admin Svc. 0600	Police 1800
8178	ABLE EXPENSES	-	-	-	-	-	-	980,660
8179	ABLE - CAPITAL REPLACEMENT	-	-	-	-	-	-	-
8180	MAINT - OUTSIDE LABOR	-	-	-	-	-	-	-
8181	MAINT-COMP SOFTWARE	-	-	-	-	-	-	362,156
8182	MAINT-COMP HARDWARE	-	-	-	-	-	-	26,100
8183	MAINT-BACKFLOW & SCADA	-	-	-	-	-	-	-
8186	MAINT-SEWER	-	-	-	-	-	-	-
8190	WATER PROGRAMS	-	-	-	-	-	-	-
8200	SPECIAL DEPT SUPPLIES NOC	2,000	-	9,530	-	16,775	76,000	112,420
8202	COMPUTER SUPPLIES	-	-	1,500	-	-	-	-
8204	UNIFORM EXPENSE	-	-	-	-	-	2,380	135,000
8206	PRISONER CUSTODY EXPENSE	-	-	-	-	-	-	61,000
8208	PHOTO EXPENSE	-	-	-	-	-	-	20,000
8209	SHOOTING RANGE SUPPLIES	-	-	-	-	-	-	47,525
8210	S.W.A.T. SUPPLIES	-	-	-	-	-	-	34,604
8211	CANINE SUPPLIES	-	-	-	-	-	-	20,995
8212	STREET CLEANING EXPENSE	-	-	-	-	-	-	-
8214	CARPENTER SHOP SUPPLIES	-	-	-	-	-	-	-
8216	SAFETY EQUIPMENT	-	-	-	-	-	500	-
8220	SIGN SHOP SUPPLIES	-	-	-	-	-	-	-
8222	TRAFFIC SUPPLIES & CONTRACT	-	-	-	-	-	-	-
8224	ROADWAY PAINTS & BARS	-	-	-	-	-	-	-
8228	SIGNS AND SIGN MATERIALS	-	-	-	-	-	-	-
8232	SIGN INSTALLATION MATRLS	-	-	-	-	-	-	-
8234	INSCTCDES/HRBCDES/FNGCDES	-	-	-	-	-	-	-
8235	PLANT MATERIALS	-	-	-	-	-	-	-
8236	FERTILIZER/TOP SOIL/AMENDMENTS	-	-	-	-	-	-	-
8238	ASPHALT/CONCRETE MATERIALS	-	-	-	-	-	-	-
8240	TOOLS, INSTRUMENTS, ETC	-	-	800	-	-	3,100	4,500
8250	SPECIAL DEPT EXPENSE NOC	512,450	-	-	2,000	-	1,938	65,033
8254	CITY GRANTS	25,000	-	-	-	-	-	-
8255	TUITION REIMBURSEMENT	-	-	-	50,000	-	-	-
8257	SISTER CITIES	-	-	-	-	-	-	-
8259	EMPLOYEE RIDESHARE PRGM	-	-	-	-	-	-	-
8260	LIBRARY MATERIALS	-	-	-	-	-	-	-
8265	FIREWORKS	20,000	-	-	-	-	-	-
8295	IMPORTED WATER EXP - MWD	-	-	-	-	-	-	-
8296	IMPORTED WATER EXP - OCWD	-	-	-	-	-	-	-
8297	RECLAIMED WATER EXP-OCWD	-	-	-	-	-	-	-
8298	OTHER AGENCY FEES	-	-	-	-	-	-	-
8303	WATER CNSERV EDU & PUB REL	-	-	-	-	-	-	-
8330	SVC CHARGE-ADMINISTRATIVE	-	-	-	-	-	-	-
8340	GENERAL INSURANCE	319	655	1,837	-	1,230	13,532	1,466,096
8511	CITY SCHOLARSHIP TRUST	-	-	-	-	-	-	-
8512	HIGH TECH LIBRARY TRUST	-	-	-	-	-	-	-
8551	ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-
8638	EXCESS INSURANCE	-	-	-	-	-	-	-
N/A	WORKERS' COMPENSATION	-	-	-	-	-	-	-
N/A	GENERAL LIABILITY	-	-	-	-	-	-	-
	SUBTOTAL MAINT. & OPERATION	935,919	54,804	1,203,669	663,660	238,305	1,208,450	6,693,543
9000	OFFICE EQUIPMENT	-	-	12,000	6,000	4,000	44,119	-
9005	COMPUTER EQUIP/PC REPLACEMENT	-	-	7,000	2,000	-	267,200	290,535
9020	FITNESS EQUIPMENT	-	-	-	-	-	-	5,000
9100	ROLLING EQUIPMENT	-	-	-	-	-	-	-
9102	CONTRACTED SET UP	-	-	-	-	-	-	-
9106	EQUIPMENT RENOVATION	-	-	-	-	-	-	-
9200	SHOP EQUIPMENT	-	-	-	-	-	2,500	-
9300	EQUIPMENT, N.O.C.	-	-	19,000	-	-	77,000	102,596
9400	OFFICE FURNITURE/FIXTURES	7,000	-	-	-	-	2,100	14,639
	SUBTOTAL CAPITAL OUTLAY	7,000	-	38,000	8,000	4,000	392,919	412,770
	DEBT SERVICE							
	TOTAL OPERATING EXPENSES	1,187,697	382,780	3,950,765	1,831,929	1,062,509	7,449,878	41,463,875
	CAPITAL IMPROVEMENT PROJECTS							
	TOTAL	1,187,697	382,780	3,950,765	1,831,929	1,062,509	7,449,878	41,463,875

Acct Code	Fire 2300	Planning 2700	Building 2900	Gen. Svcs. 3100	Library 4000	Rec&Sr Svc 4500	Pub. Works 5000	Utilities 5900	Internal Svc 6000	Other Activities	Total
8178	-	-	-	-	-	-	-	-	-	-	980,660
8179	-	-	-	-	-	-	-	-	-	-	-
8180	-	-	-	-	-	-	-	-	63,500	-	63,500
8181	-	-	-	-	46,794	-	-	-	6,000	-	414,950
8182	-	-	-	-	-	-	-	-	-	-	26,100
8183	-	-	-	-	-	-	-	117,000	-	-	117,000
8186	-	-	-	-	-	-	-	153,000	-	-	153,000
8190	-	-	-	-	-	-	-	413,000	-	-	413,000
8200	350,926	5,500	30,400	30,000	36,610	243,944	9,117	292,100	85,000	-	1,300,322
8202	12,900	-	-	-	-	-	-	-	-	-	14,400
8204	217,027	-	-	47,800	-	2,540	-	11,900	-	-	416,647
8206	-	-	-	-	-	-	-	-	-	-	61,000
8208	-	-	-	-	-	-	-	-	-	-	20,000
8209	-	-	-	-	-	-	-	-	-	-	47,525
8210	-	-	-	-	-	-	-	-	-	-	34,604
8211	-	-	-	-	-	-	-	-	-	-	20,995
8212	-	-	-	56,550	-	-	-	-	-	-	56,550
8214	-	-	-	3,300	-	-	-	-	-	-	3,300
8216	-	-	-	4,000	-	-	-	-	-	-	4,500
8220	-	-	-	17,600	-	-	-	-	-	-	17,600
8222	-	-	-	116,000	-	-	-	-	-	-	116,000
8224	-	-	-	26,200	-	-	-	-	-	-	26,200
8228	-	-	-	38,500	-	-	-	-	-	-	38,500
8232	-	-	-	26,500	-	-	-	-	-	-	26,500
8234	-	-	-	6,000	-	-	-	-	-	-	6,000
8235	-	-	-	36,000	-	-	-	-	-	-	36,000
8236	-	-	-	25,000	-	-	-	-	-	-	25,000
8238	-	-	-	596,200	-	-	-	-	-	-	596,200
8240	1,000	300	1,000	11,350	-	-	1,150	8,700	6,000	-	37,900
8250	99,618	225,080	-	2,127,695	-	107,221	-	181,000	2,000	5,000	3,329,035
8254	-	-	-	-	40,000	-	-	-	-	-	65,000
8255	-	-	-	-	-	-	-	-	-	-	50,000
8257	-	-	-	-	21,500	-	-	-	-	-	21,500
8259	-	-	-	-	-	-	-	-	-	26,415	26,415
8260	-	-	-	-	639,740	-	-	-	-	-	639,740
8265	-	-	-	-	-	-	-	-	-	-	20,000
8295	-	-	-	-	-	-	-	3,400,000	-	-	3,400,000
8296	-	-	-	-	-	-	-	3,200,000	-	-	3,200,000
8297	-	-	-	-	-	-	-	80,000	-	-	80,000
8298	609,831	-	-	-	-	-	-	185,000	-	-	794,831
8303	-	-	-	-	-	-	-	100,000	-	-	100,000
8330	-	-	-	-	-	-	-	1,759,490	-	-	1,759,490
8340	217,308	21,548	7,425	740,005	5,172	62,458	347,815	366,243	77,055	-	3,328,698
8511	-	-	-	-	-	-	-	-	-	5,000	5,000
8512	-	-	-	-	-	-	-	-	-	19,400	19,400
8551	-	129,000	-	-	-	-	-	-	-	-	129,000
8638	-	-	-	-	4,700	-	-	-	-	90,000	94,700
N/A	-	-	-	-	-	-	-	-	2,496,241	-	2,496,241
N/A	-	-	-	-	-	-	-	-	2,950,259	-	2,950,259
	4,656,329	545,117	308,601	12,754,560	1,463,642	2,963,718	871,136	13,903,562	6,293,289	223,251	54,981,556
9000	-	32,500	18,500	-	-	6,000	20,700	3,000	-	-	146,819
9005	23,225	9,250	-	15,500	8,100	8,750	1,200	13,000	3,500	-	649,260
9020	13,000	-	-	-	109,100	-	-	-	-	-	127,100
9100	-	-	-	-	-	-	-	-	1,895,000	-	1,895,000
9102	-	-	-	-	-	-	-	-	4,700	-	4,700
9106	-	-	-	-	-	-	-	-	230,000	-	230,000
9200	-	-	-	-	-	-	-	2,000	13,000	-	17,500
9300	266,110	-	-	46,600	7,000	63,000	-	51,650	192,000	16,790	841,746
9400	-	16,000	8,000	-	-	-	9,200	1,000	-	-	57,939
	302,335	57,750	26,500	62,100	124,200	77,750	31,100	70,650	2,338,200	16,790	3,970,064
										4,128,677	4,128,677
	29,587,854	2,882,068	3,774,922	22,684,331	5,921,538	6,060,218	5,082,383	19,553,818	14,253,568	4,478,439	171,608,575
										37,316,135	37,316,135
	29,587,854	2,882,068	3,774,922	22,684,331	5,921,538	6,060,218	5,082,383	19,553,818	14,253,568	41,794,574	208,924,710

SUMMARY OF ESTIMATED 2006-07 YEAR END FUND BALANCES

Fund / Account	Actual	Estimated	Transfers		Estimated	Estimated	Estimated
	Fund Balance 2005-06	Revenue 2006-07	In	Out	Budget Expenditures 2006-07	Capital Improvements 2006-07	Year End Fund Balance 2006-07
General Fund	-	147,495,973	18,825,240	19,697,694	133,054,590	13,568,929	-
Contingency Reserve	15,424,293	-	1,944,681	-	-	-	17,368,974
Stabilization Reserve	-	-	-	-	-	-	-
Actual Fair Market Value Adj.	-	-	-	-	-	-	-
Future Fair Market Value Adj.	-	-	-	-	-	-	-
Appropriations Reserve (operating)	558,081	-	1,260,303	-	-	-	1,818,384
Appropriations Reserve (capital)	2,077,278	-	6,642,700	2,077,278	-	-	6,642,700
Reserve for Inventories	211,746	-	-	-	-	-	211,746
Reserve for Prepaid Items	865,350	-	-	-	-	-	865,350
Reserve for Encumbrances	6,918,206	-	-	6,918,206	-	-	-
Budgeted Program Changes	7,000,000	-	-	7,000,000	-	-	-
Affordable Housing Reserve	1,329,420	-	27,000	-	-	-	1,356,420
Reserve for Long term receivable	50,000	-	-	-	-	-	50,000
Paramedic Program (Hoag)	266,871	-	1,449	-	-	-	268,320
Recreation Instruction Reserve	188,387	-	28,000	-	-	-	216,387
Senior Citizen Site	20,330	-	2,500	-	-	-	22,830
Park In Lieu Fees	1,309,816	-	68,940	-	-	983,112	395,644
Off Street Parking	84,385	-	7,000	-	-	-	91,385
In Lieu Parking Fees	362,969	-	60,000	-	-	-	422,969
Neighborhood Enhancement Res. A	157,791	-	28,000	-	-	-	185,791
Neighborhood Enhancement Res. B	776,934	-	300,000	-	-	130,545	946,389
Oceanfront Encroachment	985,204	-	190,000	-	-	118,495	1,056,709
Cable Franchise	-	-	1,216,400	-	-	-	1,216,400
Reserve for Capital Improvement	11,000,000	-	3,000,000	-	-	-	14,000,000
Reserve for PERS Rate	5,000,000	-	-	-	-	-	5,000,000
	54,587,061	147,495,973	33,602,213	35,693,178	133,054,590	14,801,081	52,136,398
Ackerman Donation Fund	-	-	-	-	-	-	-
Appropriations Reserve	-	40,000	-	40,000	-	-	-
Appropriations Reserve - Scholarship	176,792	-	8,000	-	5,000	-	179,792
Appropriations Reserve - Hi Tech	9,482	-	10,000	-	19,482	-	-
Perm Scholarship Endowment Reserve	205,669	-	7,000	-	-	-	212,669
Perm Equipment Endowment Reserve	617,007	-	15,000	-	-	-	632,007
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrance	-	-	-	-	-	-	-
CDBG Fund	-	-	-	-	-	-	-
Appropriations Reserve	(355,181)	718,537	55,727	15,450	326,916	76,717	-
Reserve for Encumbrance	55,727	-	-	55,727	-	-	-
AQMD Fund	-	-	-	-	-	-	-
Appropriations Reserve	170,199	104,000	-	-	26,415	-	247,784
Reserve for Encumbrance	-	-	-	-	-	-	-
Asset Forfeiture Fund	-	-	-	-	-	-	-
Appropriations Reserve	83,893	45,000	-	-	89,337	-	39,556
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
SLESF - COPS Fund	-	164,501	-	-	120,000	-	44,501
Justice Assistance Grant (formerly LLEBG)	-	-	-	-	-	-	-
Appropriations Reserve	-	7,422	-	-	7,422	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
State Gas Tax Fund	-	-	-	-	-	-	-
Appropriations Reserve	1,961,383	1,947,500	771,105	160,000	-	1,850,716	2,669,272
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	771,105	-	-	771,105	-	-	-
Traffic Congestion Relief Fund	-	-	-	-	-	-	-
Appropriations Reserve	13,544	704,791	-	-	-	701,030	17,305
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Measure M Fund	-	-	-	-	-	-	-
Turnback	1,276,687	1,156,928	1,305,621	-	-	2,248,771	1,490,465
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Turnback Encumbrances	1,305,621	-	-	1,305,621	-	-	-
Competitive	(196,168)	811,168	222,142	-	-	380,857	456,285
Competitive Encumbrances	222,142	-	-	222,142	-	-	-
AHRP Fund	-	-	-	-	-	-	-
Appropriations Reserve	(65,703)	1,393,500	-	-	-	1,327,797	-
Reserve for Encumbrances	-	-	-	-	-	-	-

SUMMARY OF ESTIMATED 2006-07 YEAR END FUND BALANCES

Fund / Account	Actual	Estimated	Transfers		Estimated	Estimated	Estimated
	Fund Balance 2005-06	Revenue 2006-07	In	Out	Budget Expenditures 2006-07	Capital Improvements 2006-07	Year End Fund Balance 2006-07
Tide and Submerged Land Fund							
Appropriation Reserve	(1,425,928)	8,258,037	1,727,831	2,319,306	2,701,474	2,285,160	1,254,000
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Appropriations Reserve (capital)	1,425,928	-	-	1,425,928	-	-	-
Reserve for Encumbrances	301,903	-	-	301,903	-	-	-
Upper Bay Reserve	(132,367)	-	75,000	197,736	-	-	(255,103)
Oil and Gas	160,000	-	40,000	-	-	-	200,000
Contributions Fund							
Misc Cooperative Projects	(5,116,196)	2,345,878	4,132,115	-	-	6,274,994	(4,913,197)
Bristol Street Relinquishment	790,548	-	-	-	-	494,677	295,871
PCH Relinquishment	3,501,908	-	-	-	-	91,642	3,410,266
Environmental Contributions	(85,328)	1,432,513	-	-	-	4,439,402	(3,092,217)
Reserve for Encumbrances	4,132,115	-	-	4,132,115	-	-	-
Circulation and Transportation Fund							
Appropriations Reserve	1,971,582	472,450	887,463	-	-	2,442,663	888,832
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	887,463	-	-	887,463	-	-	-
Building Excise Tax Fund							
Appropriations Reserve	289,916	160,000	8,481	-	-	276,543	181,854
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	8,481	-	-	8,481	-	-	-
Environmental Liability Fund							
Appropriation Reserve	2,389,283	446,000	-	-	90,000	-	2,745,283
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Oil Spill Remediation Fund							
Appropriation Reserve	113,081	5,000	5,763	-	-	120,845	2,999
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	5,763	-	-	5,763	-	-	-
Newport Annexation Funds							
Receipt Fund	11,200,000	448,000	-	1,400,000	-	-	10,248,000
Fair Value Adj. Reserve-Receipt	-	-	-	-	-	-	-
Allocation Fund	-	-	1,200,000	-	1,200,000	-	-
Fair Value Adj. Reserve-Allocation	-	-	-	-	-	-	-
Building Fund	81,915	270,000	6,156,603	-	-	6,156,603	351,915
Fair Value Adj. Reserve-Building	-	-	-	-	-	-	-
Reserve for Encumbrances-Building	6,156,603	-	-	6,156,603	-	-	-
Library Debt Service Fund							
Appropriation Reserve	-	-	567,780	-	567,780	-	-
Reserve for Debt Service	566,354	-	-	-	-	-	566,354
Assessment District Projects							
Appropriation Reserve	1,336,559	13,724	589,532	-	-	598,533	1,341,282
Reserve for Encumbrances	589,532	-	-	589,532	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Civic Center/ Fire Station Construction							
Appropriation Reserve	(202,646)	-	209,461	-	-	6,815	-
Reserve for Encumbrances	6,815	-	-	6,815	-	-	-
CIOSA Fund							
Appropriation Reserve	2,715,422	120,000	-	-	-	-	2,835,422
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Bonita Canyon Development Fund							
Appropriation Reserve	60,616	4,000	28,384	-	-	93,000	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Mariners Library Fund							
Appropriation Reserve	(2,222,500)	2,100,589	594,251	-	-	472,340	-
Reserve for Encumbrances	472,340	-	-	472,340	-	-	-
Fire Station #7 Fund							
Appropriation Reserve	(3,093,569)	1,600,000	8,586,962	-	-	7,088,562	4,831
Reserve for Encumbrances	7,086,962	-	-	7,086,962	-	-	-
Back Bay Science Center Fund							
Appropriation Reserve	(2,063,509)	-	4,126,623	-	-	6,575,210	-
Reserve for Encumbrances	3,928,887	4,549,624	-	3,928,887	-	-	37,528

SUMMARY OF ESTIMATED 2006-07 YEAR END FUND BALANCES

Fund / Account	Actual	Estimated	Transfers		Estimated	Estimated	Estimated
	Fund Balance 2005-06	Revenue 2006-07	In	Out	Budget Expenditures 2006-07	Capital Improvements 2006-07	Year End Fund Balance 2006-07
SAH Community Center							
Appropriation Reserve	(100,859)	100,859	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
MISC SAH Projects Fund							
Appropriation Reserve	(101,704)	650,000	-	-	-	235,696	312,600
Reserve for Encumbrances	-	-	-	-	-	-	-
Newport Bay Dredging Fund							
Permanent Endowment	3,857,000	-	-	-	-	-	3,857,000
Appropriation Reserve	168,602	160,000	-	-	-	-	328,602
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Insurance Reserve Fund							
Workers' Compensation Reserve	7,448,214	3,311,921	-	-	2,418,461	-	8,341,674
Liability Reserve	1,396,042	3,441,197	-	-	2,970,228	-	1,867,011
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Retiree Medical Fund							
Operating Fund	3,253,536	420,000	-	-	1,974,956	-	1,698,580
Conversion Fund	2,747,430	212,500	2,500,000	-	-	-	5,459,930
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Compensated Absence Fund							
Appropriation Reserve	1,102,554	2,071,972	-	-	1,206,000	-	1,968,526
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Equipment Fund							
Equipment Maintenance	-	1,989,590	335,732	125,000	2,098,990	101,332	-
Equipment Replacement - All Other	7,340,898	2,889,085	1,925,279	460,732	3,864,246	-	7,830,284
Equipment Replacement - PD	1,632,823	979,588	-	-	781,864	-	1,830,547
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	1,925,279	-	-	1,925,279	-	-	-
Water Enterprise Fund							
Water System Reserve	5,176,166	-	5,094,266	1,418,523	16,701,742	4,923,554	-
Stabilization Reserve	3,697,261	-	669,444	-	-	-	5,845,610
Future Infrastructure Reserve	1,444,699	-	478,175	-	-	-	4,175,436
Fair Value Adj. Reserve	-	-	270,904	1,444,699	-	-	270,904
Reserve for Encumbrances	3,649,567	-	-	3,649,567	-	-	-
	13,967,693	17,949,553	6,512,789	6,512,789	16,701,742	4,923,554	10,291,950
Wastewater Enterprise Fund							
Wastewater System Reserve	1,590,616	3,471,843	1,479,140	-	2,682,210	2,268,773	-
Stabilization Reserve	-	-	-	137,798	-	-	1,452,818
Future Infrastructure Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	1,341,342	-	-	1,341,342	-	-	-
	2,931,958	3,471,843	1,479,140	1,479,140	2,682,210	2,268,773	1,452,818
TOTAL	144,246,659	214,463,243	77,685,997	77,685,997	172,907,113	66,333,313	119,469,476

SUMMARY OF ESTIMATED 2007-08 YEAR END FUND BALANCES

Fund / Account	Fund Balance 2006-07	Estimated Revenue 2007-08	Transfers		Estimated Budget Expenditures 2007-08	Estimated Capital Improvements 2007-08	Estimated Year End Fund Balance 2007-08
			In	Out			
General Fund	-	146,964,943	9,666,668	10,497,448	138,029,313	8,104,850	-
Contingency Reserve	17,368,974	-	-	-	-	-	17,368,974
Stabilization Reserve	-	-	-	-	-	-	-
Actual Fair Market Value Adj.	-	-	-	-	-	-	-
Future Fair Market Value Adj.	-	-	-	-	-	-	-
Appropriations Reserve (operating)	1,818,384	-	3,265,098	-	-	-	5,083,482
Appropriations Reserve (capital)	6,642,700	-	-	3,428,950	-	-	3,213,750
Reserve for Inventories	211,746	-	-	-	-	-	211,746
Reserve for Prepaid Items	865,350	-	-	-	-	-	865,350
Reserve for Encumbrances	-	-	-	-	-	-	-
Budgeted Program Changes	-	-	-	-	-	-	-
Affordable Housing Reserve	1,356,420	-	553,000	-	-	-	1,909,420
Reserve for Long term receivables	50,000	-	-	-	-	-	50,000
Paramedic Program (Hoag)	268,320	-	-	72,000	-	-	196,320
Recreation Instruction Reserve	216,387	-	107,100	-	-	-	323,487
Senior Citizen Site	22,830	-	2,000	-	-	-	24,830
Park In Lieu Fees	395,644	-	763,020	-	-	-	1,158,664
Off Street Parking	91,385	-	9,500	-	-	-	100,885
In Lieu Parking Fees	422,969	-	10,000	-	-	-	432,969
Neighborhood Enhancement Res. A	185,791	-	28,000	-	-	-	213,791
Neighborhood Enhancement Res. B	946,389	-	300,000	-	-	105,000	1,141,389
Oceanfront Encroachment	1,056,709	-	190,000	-	-	599,100	647,609
Cable Franchise	1,216,400	-	-	100,000	-	-	1,116,400
Reserve for Capital Improvement	14,000,000	-	-	-	-	-	14,000,000
Reserve for PERS Rate Changes	5,000,000	-	-	-	-	-	5,000,000
	52,136,398	146,964,943	14,894,386	14,098,398	138,029,313	8,808,950	53,059,066
Ackerman Donation Fund							
Appropriations Reserve	-	-	-	-	-	-	-
Appropriations Reserve - Scholarship	179,792	15,960	-	-	5,000	-	190,752
Appropriations Reserve - Hi Tech	-	26,040	-	-	19,400	-	6,640
Perm Scholarship Endowment Reserv	212,669	-	-	-	-	-	212,669
Perm Equipment Endowment Reserv	632,007	-	-	-	-	-	632,007
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrance	-	-	-	-	-	-	-
CDBG Fund							
Appropriations Reserve	-	447,432	-	15,450	322,482	109,500	-
Reserve for Encumbrance	-	-	-	-	-	-	-
AQMD Fund							
Appropriations Reserve	247,784	104,200	-	-	26,415	-	325,569
Reserve for Encumbrance	-	-	-	-	-	-	-
Asset Forfeiture Fund							
Appropriations Reserve	39,556	45,250	-	-	78,697	-	6,109
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
SLESF - COPS Fund	44,501	142,100	-	-	120,000	-	66,601
Justice Assistance Grant (formerly LLEBC)							
Appropriations Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
State Gas Tax Fund							
Appropriations Reserve	2,669,272	1,654,500	-	160,000	-	4,113,900	49,872
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Traffic Congestion Relief Fund							
Appropriations Reserve	17,305	-	-	-	-	176,000	(158,695)
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Measure M Fund							
Turnback	1,490,465	1,359,774	-	-	-	2,737,000	113,239
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Turnback Encumbrances	-	-	-	-	-	-	-
Competitive	456,285	400,000	-	-	-	856,285	-
Competitive Encumbrances	-	-	-	-	-	-	-

SUMMARY OF ESTIMATED 2007-08 YEAR END FUND BALANCES

Fund / Account	Fund Balance 2006-07	Estimated Revenue 2007-08	Transfers In	Transfers Out	Estimated Budget Expenditures 2007-08	Estimated Capital Improvements 2007-08	Estimated Year End Fund Balance 2007-08
AHRP Fund							
Appropriations Reserve	-	653,000	-	-	-	653,000	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Tide and Submerged Land Fund							
Appropriation Reserve	1,254,000	9,490,963	-	5,622,474	2,768,489	2,354,000	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Appropriations Reserve (capital)	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Upper Bay Reserve	(255,103)	-	97,206	-	-	-	(157,897)
Oil and Gas	200,000	-	40,000	-	-	-	240,000
Contributions Fund							
Misc Cooperative Projects	(4,913,197)	1,212,484	-	-	-	2,799,400	(6,500,113)
Bristol Street Relinquishment	295,871	-	-	-	-	100,000	195,871
PCH Relinquishment	3,410,266	-	-	-	-	250,000	3,160,266
Environmental Contributions	(3,092,217)	-	-	-	-	167,500	(3,259,717)
Reserve for Encumbrances	-	-	-	-	-	-	-
Circulation and Transportation Fund							
Appropriations Reserve	888,832	455,400	-	80,000	-	1,273,400	(9,168)
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Building Excise Tax Fund							
Appropriations Reserve	181,854	160,500	-	-	-	340,100	2,254
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Environmental Liability Fund							
Appropriation Reserve	2,745,283	471,800	-	-	90,000	635,000	2,492,083
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Oil Spill Remediation Fund							
Appropriation Reserve	2,999	5,250	-	-	-	-	8,249
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Newport Annexation Funds							
Receipt Fund	10,248,000	470,400	-	1,400,000	-	-	9,318,400
Fair Value Adj. Reserve-Receipt	-	-	-	-	-	-	-
Allocation Fund	-	-	1,200,000	-	1,200,000	-	-
Fair Value Adj. Reserve-Allocation	-	-	-	-	-	-	-
Building Fund	351,915	283,500	-	-	-	-	635,415
Fair Value Adj. Reserve-Building	-	-	-	-	-	-	-
Reserve for Encumbrances-Building	-	-	-	-	-	-	-
Library Debt Service Fund							
Appropriation Reserve	-	-	569,730	-	569,730	-	-
Reserve for Debt Service	566,354	-	-	-	-	-	566,354
Assessment District Projects							
Appropriation Reserve	1,341,282	14,410	-	-	-	-	1,355,692
Reserve for Encumbrances	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Civic Center/ Fire Station Construction							
Appropriation Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
CIOSA Fund							
Appropriation Reserve	2,835,422	126,000	-	-	270,000	1,078,500	1,612,922
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Bonita Canyon Development Fund							
Appropriation Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Mariners Library Fund							
Appropriation Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-

SUMMARY OF ESTIMATED 2007-08 YEAR END FUND BALANCES

Fund / Account	Fund Balance 2006-07	Estimated Revenue 2007-08	Transfers		Estimated Budget Expenditures 2007-08	Estimated Capital Improvements 2007-08	Estimated Year End Fund Balance 2007-08
			In	Out			
Fire Station #7							-
Appropriation Reserve	4,831	-	-	-	-	-	4,831
Reserve for Encumbrances	-	-	-	-	-	-	-
Back Bay Science Center Fund							-
Appropriation Reserve	37,528	-	-	-	-	-	37,528
Reserve for Encumbrances	-	-	-	-	-	-	-
SAH Community Center							-
Appropriation Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
MISC SAH Projects Fund							-
Permanent Endowment	312,600	7,528,000	-	-	-	7,840,600	-
Appropriation Reserve	-	-	-	-	-	-	-
Newport Bay Dredging Fund							
Permanent Endowment	3,857,000	-	-	-	-	-	3,857,000
Appropriation Reserve	328,602	168,000	-	-	-	-	496,602
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Insurance Reserve Fund							
Workers' Compensation Reserve	8,341,674	3,388,726	1,500,000	-	2,496,241	-	10,734,159
Liability Reserve	1,867,011	3,376,023	500,000	-	2,950,259	-	2,792,775
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Retiree Medical Fund							
Operating Fund	1,698,580	1,470,500	-	-	3,133,000	-	36,080
Conversion Fund	5,459,930	223,125	2,700,000	-	-	-	8,383,055
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Compensated Absence Fund							
Appropriation Reserve	1,968,526	2,146,322	-	-	1,206,000	-	2,908,848
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Equipment Fund							
Equipment Maintenance	-	2,050,000	-	632	2,049,368	-	-
Equipment Replacement - All Other	7,830,284	3,072,630	-	125,000	1,954,520	-	8,823,394
Equipment Replacement - PD	1,830,547	960,320	632	-	514,000	-	2,277,499
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Water Enterprise Fund		18,630,585	124,187	-	16,715,772	2,039,000	-
Water System Reserve	5,845,610	-	-	-	-	-	5,845,610
Stabilization Reserve	4,175,436	-	-	-	-	-	4,175,436
Future Infrastructure Reserve	270,904	-	-	124,187	-	-	146,717
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
	10,291,950	18,630,585	124,187	124,187	16,715,772	2,039,000	10,167,763
Wastewater Enterprise Fund		3,889,514	-	265,625	2,639,889	984,000	-
Wastewater System Reserve	1,452,818	-	-	-	-	-	1,452,818
Stabilization Reserve	-	-	265,625	-	-	-	265,625
Future Infrastructure Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
	1,452,818	3,889,514	265,625	265,625	2,639,889	984,000	1,718,443
TOTAL	119,469,476	211,407,651	21,891,766	21,891,766	177,158,575	37,316,135	116,402,417

2007-08 FUND TRANSFERS - ALL FUNDS

General Fund

Transfer In (From General Fund Reserves):

Current Year Operations	\$ 3,600,950
Contingency Reserve	-
Actual Fair Market Value Adj.	-
Appropriations Reserve (operating)	3,265,098

Transfer In (From Current Year Operations):

Appropriations Reserve (capital)	-
Paramedic Program (Hoag)	-
Recreation Instruction Reserve	107,100
Senior Citizen Site	2,000
Park In Lieu Fees	763,020
Off Street Parking	9,500
In Lieu Parking Fees	10,000
Neighborhood Enhancement Res. A	28,000
Neighborhood Enhancement Res. B	300,000
Oceanfront Encroachment	190,000
Affordable Housing	553,000
Reserve for Capital Improvement	-
Reserve for PERS Rate Changes	-

Transfer In (From Other Funds):

Gas Tax Fund	160,000
Tidelands Fund	5,485,268
CDBG Fund	15,450
AQMD Fund	-
Circulation & Transportation Fund	80,000
Equipment Maintenance Fund	-
Equipment Replacement Fund	125,000
Newport Annexation Funds	200,000

Total Transfers In **\$ 14,894,386**

General Fund

Transfer Out (To General Fund Reserves):

Current Year Operations	\$ 5,227,718
Contingency Reserve	-
Actual Fair Market Value Adj.	-
Appropriations Reserve (operating)	-

Transfer Out (To Current Year Operations):

Appropriations Reserve (capital)	3,428,950
Encumbrances	-
Unrealized Events Impacting Budget	-
Paramedic Program (Hoag)	72,000
Recreation Instruction Reserve	-
Senior Citizen Site	-
Park In Lieu Fees	-
Off Street Parking	-
In Lieu Parking Fees	-
Neighborhood Enhancement Res. A	-
Neighborhood Enhancement Res. B	-
Cable Franchise	100,000
Reserve for Capital Improvement	-

Transfer Out (To Other Funds):

Library Debt Service Fund	569,730
Retiree Medical Fund-Operating	-
Retiree Medical Fund-Conversion	2,700,000
General Liability Fund	500,000
Workers Compensation Fund	1,500,000

Total Transfers Out **\$ 14,098,398**

Ackerman Donation Fund

Transfer In (From):

Appropriation Reserve	\$ -
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Total Transfers In **\$ -**

Ackerman Donation Fund

Transfer Out (To):

Fund Balance	\$ -
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Total Transfers Out **\$ -**

CDBG Fund

Transfer In (From):

Reserve for Encumbrance	\$ -
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Total Transfers In **\$ -**

CDBG Fund

Transfer Out (To):

General Fund	\$ 15,450
Appropriation Reserve	-

Total Transfers Out **\$ 15,450**

AQMD Fund

Transfer In (From):

\$ -

Total Transfers In **\$ -**

AQMD Fund

Transfer Out (To):

General Fund \$ -

Total Transfers Out **\$ -**

2007-08 FUND TRANSFERS - ALL FUNDS

Asset Forfeiture	
Transfer In (From):	
Reserve for Encumbrance	\$ -
Total Transfers In	\$ -

Asset Forfeiture	
Transfer Out (To):	
Appropriations Reserve	\$ -
Total Transfers Out	\$ -

State Gas Tax Fund	
Transfer In (From):	
Reserve for Encumbrance	\$ -
Total Transfers In	\$ -

State Gas Tax Fund	
Transfer Out (To):	
General Fund	\$ 160,000
Appropriation Reserve	-
Total Transfers Out	\$ 160,000

Traffic Congestion Relief Fd.	
Transfer In (From):	
Fund Balance	\$ -
Total Transfers In	\$ -

Traffic Congestion Relief Fd.	
Transfer Out (To):	
Appropriation Reserve	\$ -
Total Transfers Out	\$ -

Measure M Funds	
Transfer In (From):	
Turnback Encumbrances	\$ -
Competitive Encumbrances	-
Total Transfers In	\$ -

Measure M Funds	
Transfer Out (To):	
Turnback Fund Balance	\$ -
Competitive Fund Balance	-
Total Transfers Out	\$ -

Bikes & Trailways (SB821)	
Transfer In (From):	
Fund Balance	\$ -
Total Transfers In	\$ -

Bikes & Trailways (SB821)	
Transfer Out (To):	
Appropriation Reserve	\$ -
Reserve for Encumbrance	-
Total Transfers Out	\$ -

AHRP Fund	
Transfer In (From):	
Fund Balance	\$ -
Total Transfers In	\$ -

AHRP Fund	
Transfer Out (To):	
Fund Balance	\$ -
Total Transfers Out	\$ -

Tidelands Fund	
Transfer In (From):	
Reserve for Encumbrances	\$ -
Tidelands Operations	137,206
Appropriation Reserve	-
Total Transfers In	\$ 137,206

Tidelands Fund	
Transfer Out (To):	
General Fund	\$ 5,485,268
Appropriation Reserve	-
Upper Bay Reserve	97,206
Oil & Gas Reserve	40,000
Total Transfers Out	\$ 5,622,474

Contributions Fund	
Transfer In (From):	
Reserve for Encumbrances	\$ -
Total Transfers In	\$ -

Contributions Fund	
Transfer Out (To):	
Appropriation Reserve	\$ -
Total Transfers Out	\$ -

2007-08 FUND TRANSFERS - ALL FUNDS

Circulation Fund	
Transfer In (From):	
Fund Balance	\$ -
Reserve for Encumbrance	-
Total Transfers In	\$ -

Circulation Fund	
Transfer Out (To):	
General Fund	\$ 80,000
Ciosa Fund	-
Total Transfers Out	\$ 80,000

Building Excise Tax Fund	
Transfer In (From):	
Appropriations Reserve	\$ -
Reserve for Encumbrances	-
Fund Balance	-
Total Transfers In	\$ -

Building Excise Tax Fund	
Transfer Out (To):	
Reserve for Encumbrances	\$ -
Appropriation Reserve	-
Fund Balance	-
Total Transfers Out	\$ -

Environmental Liability Fund	
Transfer In (From):	
Appropriation Reserve	\$ -
Total Transfers In	\$ -

Environmental Liability Fund	
Transfer Out (To):	
Fund Balance	\$ -
Total Transfers Out	\$ -

Oil Spill Remediation Fund	
Transfer In (From):	
Reserve for Encumbrances	\$ -
Total Transfers In	\$ -

Oil Spill Remediation Fund	
Transfer Out (To):	
Appropriation Reserve	\$ -
Total Transfers Out	\$ -

Newport Annexation Funds	
Transfer In (From):	
Receipt Fund	\$ -
Allocation Fund	1,200,000
Building Fund Encumbrances	-
Total Transfers In	\$ 1,200,000

Newport Annexation Funds	
Transfer Out (To):	
General Fund	\$ 200,000
Receipt Fund	1,200,000
Building Fund Appropriations	-
Total Transfers Out	\$ 1,400,000

Library Debt Service Fund	
Transfer In (From):	
General Fund	\$ 569,730
Total Transfers In	\$ 569,730

Library Debt Service Fund	
Transfer Out (To):	
Fund Balance	\$ -
Total Transfers Out	\$ -

Assessment Districts Fund	
Transfer In (From):	
Reserve for Encumbrance	\$ -
Fund Balance	-
Total Transfers In	\$ -

Assessment Districts Fund	
Transfer Out (To):	
Appropriation Reserve	\$ -
Fund Balance	-
Total Transfers Out	\$ -

CIOSA Fund	
Transfer In (From):	
Fund Balance	\$ -
Total Transfers In	\$ -

CIOSA Fund	
Transfer Out (To):	
Appropriation Reserve	\$ -
Total Transfers Out	\$ -

2007-08 FUND TRANSFERS - ALL FUNDS

Mariners Library Fund		
Transfer In (From):		
Reserve for Encumbrances	\$	-
Total Transfers In	\$	-

Mariners Library Fund		
Transfer Out (To):		
Appropriation Reserve	\$	-
Total Transfers Out	\$	-

Fire Station # 7		
Transfer In (From):		
Reserve for Encumbrances	\$	-
General Fund		-
Total Transfers In	\$	-

Fire Station # 7		
Transfer Out (To):		
Appropriation Reserve	\$	-
Total Transfers Out	\$	-

Retiree Medical Fund		
Transfer In (From):		
Fund Balance	\$	2,700,000
Total Transfers In	\$	2,700,000

Retiree Medical Fund		
Transfer Out (To):		
Appropriation Reserve	\$	-
Reserve for Encumbrance		-
Total Transfers Out	\$	-

Insurance Reserve Fund		
Transfer In (From):		
Fund Balance	\$	2,000,000
Total Transfers In	\$	2,000,000

Insurance Reserve Fund		
Transfer Out (To):		
Appropriation Reserve	\$	-
Reserve for Encumbrance		-
Total Transfers Out	\$	-

Equipment Fund		
Transfer In (From):		
Equipment Maintenance	\$	632
Reserve for Encumbrance		-
Total Transfers In	\$	632

Equipment Fund		
Transfer Out (To):		
General Fund Overhead	\$	632
Equipment Replacement		125,000
		-
Total Transfers Out	\$	125,632

Water Enterprise Fund		
Transfer In (From):		
Operations	\$	124,187
Reserve for Encumbrances		-
Future Infrastructure Reserve		-
Stabilization Reserve		-
Total Transfers In	\$	124,187

Water Enterprise Fund		
Transfer Out (To):		
Water Operations	\$	-
Water System Reserve		-
Future Infrastructure Reserve		124,187
Water Fund Balance		-
Total Transfers Out	\$	124,187

Wastewater Enterprise Fund		
Transfer In (From):		
Wastewater System Reserve	\$	265,625
Reserve for Encumbrance		-
Future Infrastructure Reserve		-
Stabilization Reserve		-
Total Transfers In	\$	265,625

Wastewater Enterprise Fund		
Transfer Out (To):		
Wastewater Operations	\$	265,625
Reserve for Encumbrance		-
Wastewater Infrastructure. Rsv.		-
Total Transfers Out	\$	265,625

TOTAL TRANSFERS	\$	21,891,766
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TOTAL TRANSFERS	\$	21,891,766
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DEPARTMENT OPERATIONS

CITY COUNCIL

To protect Newport Beach's unique quality of life for the full enjoyment of its residents, visitors, and business owners and to direct the efficient and effective delivery of municipal services.

The Newport Beach City Council

Newport Beach is a “charter city,” which, among other things, means that Newport Beach’s voters have approved a Charter that governs many city operations. The Charter also sets forth a governing board of seven members. The seven members of the Newport Beach City Council each represent and reside in one of seven districts. But because Council Members are elected “at large” by all of Newport Beach’s registered voters, they have a broader constituency, too.



Being a council member is technically just a part-time job, but the time commitment -- from early morning meetings with

residents to special committee assignments to Council meetings that can run late into the night -- often takes up 40+ hours a week.

The Charter also directs the City Council to hire a “chief executive officer” – called the City Manager – to run the day-to-day operations of the City “corporation.” The City Manager, the City Clerk, and the City Attorney are the only city employees directly hired by the City Council – the City Manager oversees the hiring of everyone else.



The City Council has two primary tools to implement policy – the City’s yearly budget and the various priorities that the Council sets at its twice-a-month public meetings. For the year 2007-08, the Council expects to follow these efforts (among others) closely:

2007-08 Council Efforts

- Implement the recently-approved General Plan for the community.
- Effectively address traffic, so that residents, visitors, and business owners can travel within the community safely and spend minimal time in traffic.
- Implement a detailed Master Facilities Program, including City Hall, the OASIS Senior Center, Fire Stations, and other city facilities so that the City can comprehensively see and address its facilities' needs over the next 20+ years.
- Develop even stronger relationships with "Corridor Cities" (other cities impacted by John Wayne Airport both on the departure side and the approach side) so that we can keep JWA within its current curfew and flight restrictions.
- Develop a Water Quality Master Plan to protect the Upper and Lower Newport Bay from sedimentation and pollution, to better conserve water, and to keep our ocean beaches and near-shore zone free of contaminants.
- Gain more local control to limit the adverse impacts associated with the overconcentration of residential treatment homes and congregate living facilities.
- Complete planning for and starting construction of new parks, such as Marina Park, Sunset Ridge Park, Mesa-Birch Park, Coastal Peak Park and Newport Center Park.
- Encourage broad community and City use of newly opened facilities, such as the Back Bay Science Center, the Santa Ana Heights Fire Station, and the Newport Coast Community Center.

The City Council's budget includes the costs of the City's membership in key associations that work towards common municipal purposes, like the League of California Cities and the Southern California Association of Governments (SCAG).

	2004-05 Actual*	2005-06 Actual*	2006-07 Estimated*	2007-08 Proposed*
Salaries and Benefits	\$ 239,265	\$ 258,922	\$ 169,981	\$ 244,778
Maintenance and Operations	\$ 1,390,787	\$ 1,791,445	\$ 904,893	\$ 935,919
Capital Outlay	\$ 8,869	\$ 3,419	\$ -	\$ 7,000
Total	<u>\$ 1,638,921</u>	<u>\$ 2,053,786</u>	<u>\$ 1,074,874</u>	<u>\$ 1,187,697</u>

* Includes Spheres Issues and Centennial expenditures

CITY CLERK

To provide service to the Mayor and City Council, City Manager, administrative departments, and the public in a courteous, timely, and efficient manner while remaining neutral and impartial.

To improve the administration of the affairs of the City Clerk's office consistent with applicable laws and through sound management practices to provide easier access to local government and fulfill our responsibility to the residents of Newport Beach.

The City Clerk attends all meetings of the City Council and serves as Clerk of the Council. Some of the primary responsibilities performed by the City Clerk are:

- Prepares and publishes agendas for City Council meetings in accordance with the legal requirements for public meetings.
- Records and maintains the proceedings of the City Council meetings, including an index of the City Council actions.
- Maintains official records associated with formal actions of the City Council, assists the public with research and retrieval of information and retrieves and certifies public documents.
- Maintains the document imaging system in order to reduce staff time in searching, retrieving and copying records, as well as providing storage for permanent records.
- Provides staff and the residents with online access to the Newport Beach Municipal Code; Council Policy Manual; Boards, Commissions and Committees Manual; application blanks and vacancy notices for Boards and Commissions; City Council agendas, minutes, and staff reports.
- Assists the public in understanding and participating in the decision and policy making process.
- Maintains Appointive List as required under Maddy Appointive List Act (for Boards and Commissions).
- Processes legal publications, postings and notices.
- Ensures accurate codification of City-adopted ordinances.
- Acts as Filing Officer for the Political Reform Act of 1974 regulations (campaign disclosure forms and statements of economic interest).
- Receives and opens bids for City projects.
- Receives and processes claims for damages and, summons and complaints against the City.
- Serves as the City's Election Official and receives petitions relating to initiatives, referendums or recalls.
- Serves as custodian of the official records of the City and maintains custody of the City Seal.
- Executes all ordinances, resolutions and contracts.
- Administers oaths, affirmations and acknowledgements.
- Processes passport applications in accordance with U.S. Department of State procedures.

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Note:

To browse Council Meeting archives of 2006 - [click here](#)

To browse Council Meeting archives of 2005 - [click here](#)

Upcoming Events	
Name	Date
City Council Study Session	March 13, 2007 - 4:00 PM Agenda
City Council Regular Meeting	March 13, 2007 - 7:00 PM Agenda

Archived Videos	
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Name	Date	Agenda	Minutes	Video
City Council Study Session	February 27, 2007	Agenda	Minutes	Video
City Council Regular Meeting	February 27, 2007	Agenda	Minutes	Video
City Council Study Session	February 13, 2007	Agenda	Minutes	Video
City Council Regular Meeting	February 13, 2007	Agenda	Minutes	Video
City Council Study Session	January 23, 2007	Agenda	Minutes	Video
City Council Regular Meeting	January 23, 2007	Agenda	Minutes	Video
City Council Study Session	January 9, 2007	Agenda	Minutes	Video
City Council Regular Meeting	January 9, 2007	Agenda	Minutes	Video

Delivering public access to local government by streaming public meetings.

Service Indicators

	2004-2005 Actual	2005-2006 Actual	2006-2007 Estimated	2007-2008 Projected
Council Meetings, Regular	23	23	23	23
Council Meetings, Special or Adjourned	23	27	22	25
Resolutions adopted	78	89	80	80
Ordinances adopted	27	26	30	30
Municipal elections	1	0	1	0
Registered voters	60,529	60,373	59,885	60,000
Municipal Code Supplement pages distributed	52,479	56,595	55,000	55,000
Claims/Summons and Complaints processed	169	117	127	150
Contracts/Agreements processed	113	115	120	120
Notices of Completion/Release Bonds	17	20	14	15
Documents processed to Orange County Recorder	17	31	20	20
Pages scanned into Document Imaging System	80,000	50,000	50,000	50,000
Passports processed	655	457	400	400

Performance Review

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Proposed
Salaries and Benefits	\$ 288,860	\$ 326,349	\$ 232,015	\$ 327,976
Maintenance and Operations	\$ 34,089	\$ 97,730	\$ 112,875	\$ 54,804
Capital Outlay	\$ 2,901	\$ -	\$ 9,062	\$ -
Total	\$ 325,850	\$ 424,079	\$ 353,952	\$ 382,780
Elections	\$ 49,606	\$ -	\$ 100,000	\$ -
Grand Total	\$ 375,456	\$ 424,079	\$ 453,952	\$ 382,780

Allocation Plan

CITY MANAGER

To maintain the delivery of high quality municipal services and legislate and manage the affairs of the city according to law and for the benefit of residents and property owners.

The City Manager

The City Council appoints the City Manager to make sure the City's operations run effectively. The City's Charter prescribes specific duties to the City Manager, including the power to appoint department directors and to develop the annual budget. The Charter also directs the City Manager to report back to the Council each year on the fiscal operations of the City, to see that the City follows the laws of the Charter and the State of California, and more. The City Manager implements the direction of the City Council to ensure that the priorities and interests of the Council are achieved.



In addition to attending Council meetings, the City Manager convenes meetings of the City's Management Team (department directors) and of individuals and groups throughout the City. Other topics more regional in nature are also on the City Manager's plate. The City Manager's Office monitors the political and economic environment outside the city to ensure that outside forces do not compromise Newport Beach's quality of life, public safety system, or its finances. In 2007-08, these external issues may include:

- Actions at the State level that might impact City finances.
- Changes in the local, state, and national economy that may also change the City's revenue base.
- Positioning the City to effectively compete for State grant funding for new projects, especially those that address dredging, toxic hot spots, and other costly water quality obligations.

The City Manager's budget includes three key divisions – Code & Water Quality Enforcement, Harbor Resources and Public Information. Because the strategic issues supervised by the City Manager's Office can require the use of specialized expertise, this budget also includes funds for short-term contracts with consultants.

Code & Water Quality Enforcement Division

The City's Code and Water Quality Enforcement Division is one of the most well-respected in the region. Code & Water Quality Enforcement has two major emphases: protecting the community's quality of life via the enforcement of the municipal code (regarding noise, nuisances, signage, encroachments, and more) and protecting Newport Bay and our ocean shoreline by implementing State and Federal clean water requirements. The Division will continue its proactive, face-to-face education and enforcement efforts regarding "best management practices" (BMPs) for water conservation and water quality.

Public Information Division

The Public Information Division will focus implementing new public, governmental, and educational ("PEG") programming opportunities that resulted from two major agreements or settlements with local cable companies in 2006-07. These efforts brought more than \$1,000,000 to the City on a one-time basis and up to \$90,000 annually for community programming.

Harbor Resources Division

More than 1,200 individuals and businesses operate a pier, marina, or mooring in Newport Harbor and therefore require a formal permit to access and use this resource. Habitat protection, water quality improvement, and the myriad regulations that direct the City to comply with the federal Clean Water Act, the Coastal Act, and the City's Harbor Policy demand specific attention by the Harbor Resources staff. The Harbor Commission, a seven-member board appointed directly by the City Council -- plays an important role here, too. The Harbor Resources Division includes parking lot administration and an innovative tidepool protection program. Harbor Resources is housed at the Balboa Yacht Basin off of Harbor Island Drive.

Service Indicators

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Projected
<u>Code & Water Quality Enforcement Division</u>				
Administrative Citations Issued	275	285	256	250
Educational Contacts Made	1,800	1,850	1,900	2,000
Water Quality Education Impressions	670,000	680,000	700,000	720,000
<u>Public Information Division</u>				
Time Warner/Cox Monthly Half Hour Shows	96	98	68	108
Outside Government Programming			39	48
Special Events Cable Programming	4	8	12	12
Quarterly Newsletter "City Scenes"	4	4	2	0*
News Releases	21	19	21	24
Web Site Responses (www.nbcitynews.com)	104	65	16	60
Web Streaming of NBTV News Programs	-	36	40	72
Info-by-email Notices	16	9	11	24
Public Education Tours/Speakers Bureau	2	2	4	7
<u>Harbor Resources Division</u>				
Dock Construction Permits Reviewed	100	122	170	190
Dredging Permits Reviewed	35	25	30	40
Fire Code Compliance Citations Issued	25	21	20	20
Other Harbor Compliance Warnings and Citations	15	15	15	15
Number of Vehicles at Balboa Pier Lot	227,000	229,000	230,000	230,000
Number of Vehicles at CDM Lot	126,000	119,000	130,000	135,000
Number of Students Trained/Educated and Public Contacts via Marine Life Refuge Program	73,000	74,200	76,000	80,000
Number of Classes Coordinated by MLR Program	271	245	275	300

* Newsletter discontinued 1/2007

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Proposed
Salaries and Benefits	\$ 2,066,053	\$ 2,288,055	\$ 1,831,162	\$ 2,709,096
Maintenance and Operations	\$ 663,611	\$ 1,457,640	\$ 719,677	\$ 1,203,669
Capital Outlay	\$ 24,860	\$ 36,368	\$ 7,060	\$ 38,000
Total	\$ 2,754,524	\$ 3,782,063	\$ 2,557,899	\$ 3,950,765

Performance
Review

Allocation
Plan

HUMAN RESOURCES

To increase the City's effectiveness through recruitment and retention of employees committed to providing quality public service that meets the goals and objectives set by the City Council and the City Manager.

We further this mission by the development of systems which recognize the value of each employee and provide the necessary tools to recruit, retain, and develop a workforce capable of high performance.

We accomplish this mission by having a "customer first" attitude; demonstrating a spirit of cooperation; being a trusted and valued source of human resources knowledge and expertise; and by being responsive to and aware of internal and external customer needs.

Department Highlights for FY 2006-07

This year, City-wide recruitments in all departments continue to increase significantly. The recruitment process provides reliability and validity in our selection of employees and assists us in defending our hiring decisions. We have been developing more job-related written and performance tests, as well as providing additional involvement in the oral board process to ensure objective evaluation and consistency among interviews. Our recruitment procedures provide us with the job-related tools needed to hire the best candidate for the position based on needs and requirements of each department.

To better serve our customers and work more efficiently, we fully implemented the new NEOGOV software program which provides on-line recruitment, selection, applicant tracking, reporting and



analysis. This program maximizes efficiency and provides measurable results. It has saved us expense and time by allowing the review of applications on-line and eliminating endless copying of applications. Our on-line application percentage is approximately 99%, which allows most applicants to be notified by email; thereby eliminating most of our postage costs. NEOGOV also provides statistical reports that are readily available at each step in the recruitment process and allows candidates access to their standing in the process.

To address the immediate needs of support staff, we now have a "clerical pool" with on-call applicants we can request on a temporary basis to fill vacancies due to medical leaves or emergencies. In addition, we have been able to use temporary Human Resources Analysts and

clerical support to provide faster service to the departments, so that they can fill their vacancies and provide better customer service to the citizens that we serve.

This year, we also worked closely with Administrative Services to implement a new on-line benefit open enrollment. This is part of the new Employee Access Center (EAC) where employees can access all of their information and input changes as needed. The EAC also provides a total benefit statement showing the individual cost of all benefits for each employee. The on-line benefit open enrollment feature in the EAC allowed us to provide better benefit services to our employees while reducing postage and additional staff-time costs.

Last year was the culmination of several years of hard work from a City-wide committee of employees whose goal was to develop a new Employee Performance Evaluation Program. The Human Resources Manager chaired the committee, which consisted of employees from various departments. Together they developed a new performance evaluation form and guidebook so that all employees in the City are evaluated consistently, using the same forms and guidebook. This



year, we implemented the new performance evaluation system on-line and developed a notification system for departments as a reminder of upcoming and past due evaluations.

Human Resources Administration/Operations Staffing: 5.5 plus 1.5 FTE \$1,317,835
Labor Relations/MOU Administration Personnel Policies Deferred Compensation Civil Service Commission Support City Employee Activities & Events City Telephone Directory Employee Identification Cards & Parking Permits Employment Verifications Personnel Action Form Processing Changes of Addresses Front Office and Public Counter Service Employee/Labor Relations City-Wide Training Recruitment/Selection Classification/Compensation PERS/PARS Assistance Tuition Reimbursement Exit Interviews Unemployment Administration Grievances & Disciplines Records Management

Risk Management Staffing: 3.5 \$514,094
General Liability Workers' Compensation Claims Administration Disability Benefits Employee Health Fair Employee Assistance Program Employee Fitness Center Administration Pre-employment Physical Exams Benefits Administration DOT Drug Program FMLA/HIPPA Compliance Safety Program DMV Employee Pull Program Retiree Medical Insurance New Employee Orientation Disability Retirements Contract Review & Insurance Compliance Insurance Procurement Special Event Review Loss Control Advisory Services Employee & Retirement Counseling

HUMAN RESOURCES (Continued)

Human Resources Objectives FY 2007-2008

- Develop quarterly new employee City-wide orientation program
- Develop, train, and implement new Administrative Procedures
- Revise and improve the City's Safety and Accident program and procedures
- Develop RFP and conduct Risk Management Audit
- Develop and implement City-wide supervisory training
- Update Employee Policy Manual



Budget Highlights

The HR Department will continue to provide the tools and training needed to keep current with Human Resources-related laws and practices. Automating processes and developing procedures for City-wide consistency is a high priority, along with City-wide training and developing a strong safety program for all employees.

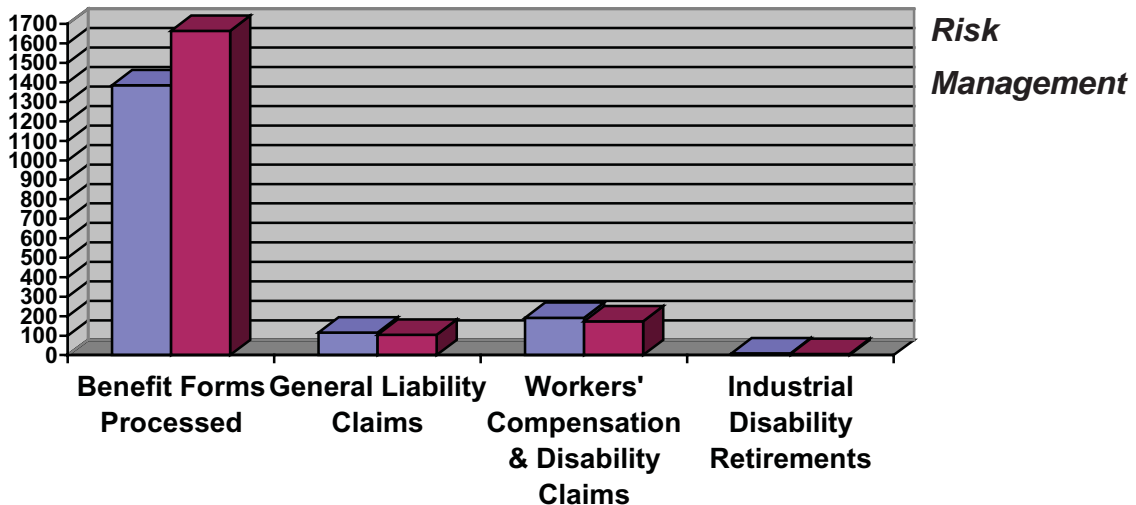
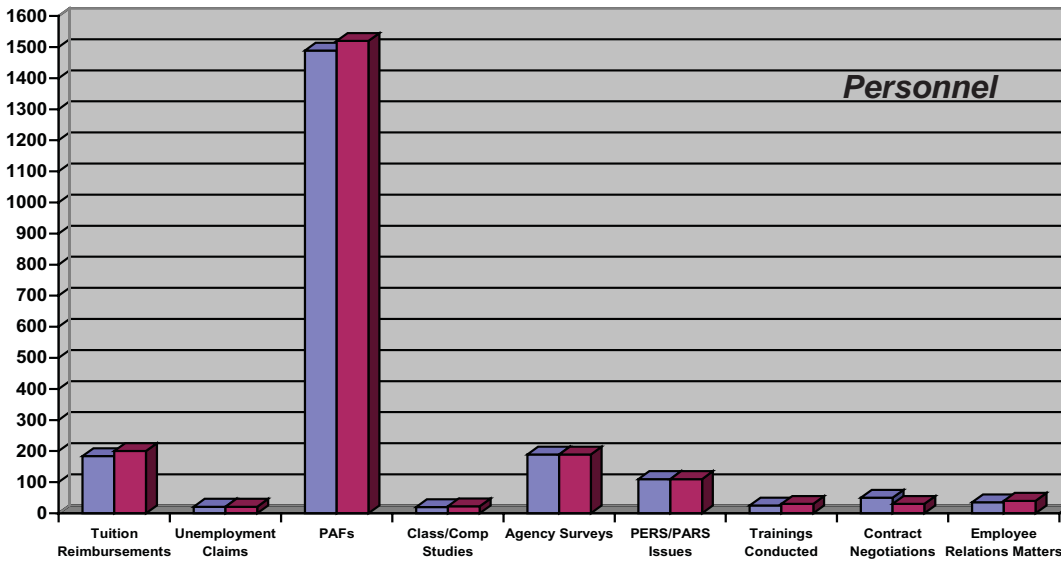
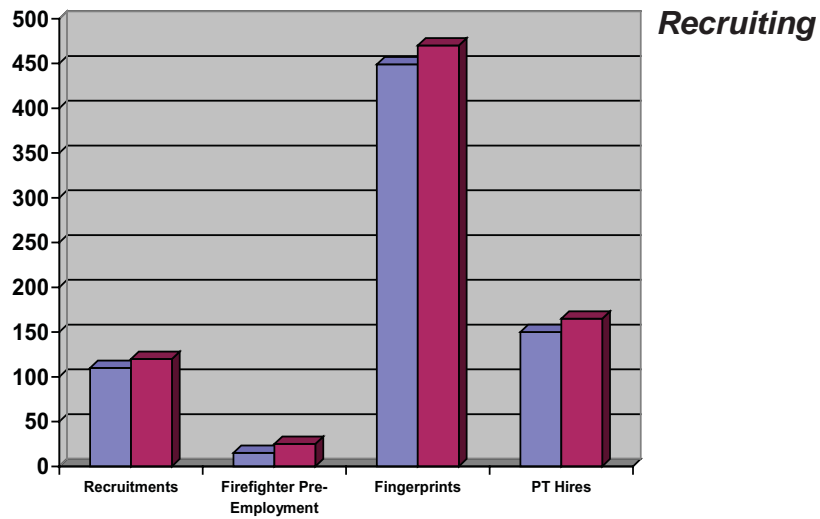
Allocation Plan

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Proposed
Salaries and Benefits	\$ 856,861	\$ 962,811	\$ 798,140	\$ 1,160,270
Maintenance and Operations	\$ 421,983	\$ 582,767	\$ 371,178	\$ 663,660
Capital Outlay	\$ 9,364	\$ 10,152	\$ 9,440	\$ 8,000
Total	\$ 1,288,208	\$ 1,555,730	\$ 1,178,758	\$ 1,831,930

Performance Review

Service Indicators

	2004-2005 Actual	2005-2006 Actual	2006-2007 Estimated	2007-2008 Projected
Recruitments	67	88	110	120
Firefighter Pre-Employment Process	15	25	15	25
Tuition Reimbursements	153	165	184	200
Unemployment Claims	16	20	21	21
Personnel Action Forms	1,256	1,488	1,489	1,520
Classification/Compensation Studies	38	40	20	22
Surveys for other agencies	168	180	189	189
PERS/PARS Issues	98	105	110	110
New Hire Fingerprints entered	368	384	449	470
Trainings Conducted	13	27	25	30
Contract Negotiations meetings	40	20	50	30
Employee Relations Matters	26	30	35	40
Benefit Forms Processed Actives & Retirees	728	926	1,386	1,665
General Liability Claims	77	45	116	105
Workers' Compensation & Disability Claims	126	133	191	173
Industrial Disability Retirements Processed	3	3	9	6
New Employee Orientations Conducted	35	69	88	105
Part-time hires	51	140	150	165



■ 2006-07 Projected
 ■ 2007-08 Estimated

CITY ATTORNEY

Mission Statement

*To represent and/or advise
City Council, Boards and Commissions, and City Staff
with respect to all legal matters
pertaining to the City*

Primary Goals

Primary Goals

- To maintain an accessible attorney staff and provide timely responses to formal and informal requests for legal advice.
- To work with other City department heads in developing legal strategies for implementing Council goals, identifying legal issues to surrounding community development proposals and responding to community concerns about traffic and quality of life.
- To work with Risk Management to provide effective legal counsel to represent and appear for the City in all legal actions, or proceedings including defense of tort liability claims and enforcement of City codes, rules and regulations.
- To be proactive to limit City liability and to present reasonable and cost effective solutions to legal problems without compromising the interests of the City, its officers, or employees.

Performance Review

Service Indicators	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Projected
Requests for Opinions/Advice (In-House)	5,500	5,500	6,000	6,000
Council, Board, and Commission Meetings	100	100	100	100
Preparation/Review of Contracts, MOUs, Agreements	300	400	500	500
Litigation Caseload	50	50	25	5
Code Enforcement Caseload	80	80	70	50
Development/review of Resolutions and Ordinances	85	85	100	100
Court and Hearing Appearances	80	80	40	10
Public Assistance (phone or in person, by attorney or support staff)	7,200	7,200	7,000	7,200
Legislative Advocacies	20	20	20	20
Public Records Act Requests	40	60	70	80

One City Attorney
 One Assistant City Attorney
 One Administrative Assistant to the City Attorney
 One Part-Time Office Assistant
 Two Part-Time Deputy City Attorneys
 One Part-Time Paralegal

Department Functions

The City Attorney acts as the legal advisor and counsel for the City Council, City Boards and Commissions, City Manager, and all City Departments. Some of the primary functions of this office are to:

- Render legal opinions and advice to City Council and City staff.
- Review and/or prepare proposed contracts, bond financing papers, and insurance requirements.
- Monitor, control, defend against liability claims and lawsuits, enforce Municipal Code.
- Attend meetings of the City Council and Planning Commission, as well as other boards, committees, and commissions as required and render legal advice on agenda items and open meeting laws.
- Prepare, review drafts, and assist in the negotiation of agreements to which the City is a party.
- Draft and analyze, support legislative efforts necessary to achieve City Council goals.
- Prepare or review ordinances, resolutions, deeds, pleadings, and other legal documents.
- Appear before courts and administrative tribunals to represent the City's interests in regulatory and personnel hearings and appeals.

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Proposed
Salaries and Benefits	\$ 649,068	\$ 831,051	\$ 624,136	\$ 820,204
Maintenance and Operations	\$ 312,857	\$ 187,002	\$ 362,971	\$ 238,305
Capital Outlay	\$ 8,548	\$ 2,067	\$ 5,506	\$ 4,000
Total	\$ 970,473	\$ 1,020,120	\$ 992,613	\$ 1,062,509

ADMINISTRATIVE SERVICES

Mission Statement

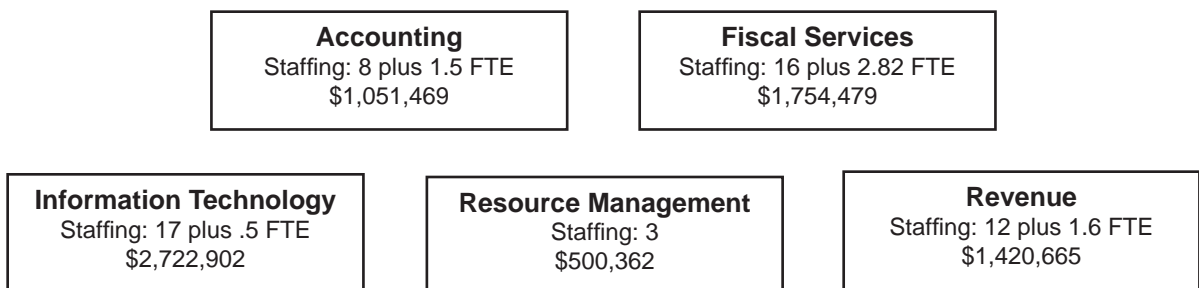
To provide the highest quality Information Technology Services, Financial Management, and a variety of Support Services for City Officials, the Public, and Other Departments

The Organization

The Administrative Services Department is a composite organization that performs a diverse collection of financial and technological services. The Resource Management Division is the executive division of the Department that oversees four functional divisions: Fiscal Services, Information Technology, Revenue, and Accounting. On the surface, our primary purpose is to provide financial and information technology services to the frontline public serving departments. However, we are also charged with the most paramount objective of a public agency; that is to provide prudent custodial services of publicly entrusted resources. Treasury, Debt Management, Budgeting, Internal Control, Property Control, Purchasing, and Annual Financial Reporting are all examples of Administrative Services' responsibility to be the financial steward for the entire organization.

Although many of the services provided by the Department, including payroll, accounts payable, print shop/mail room, purchasing/warehousing, and IT, are provided in support of other City Departments, in some cases the Department serves the public directly. Examples of services provided directly to the public by the Department include: licensing, cashiering, water billing and maintenance of the City's Web Site.

Department Organization



TOTAL \$7,449,877
56 Positions, plus 6.42 FTE

Mission and Goals

The Department's Mission and day-to-day activities cover a wide range of functions for the City. The Department's customers consist of a large number of members of the public, as well as every department in the City. A necessary function of the organization is to impose structure and control on a variety of procedures, such as budgeting, purchasing, vendor payables, property control,

travel claims, and employee reimbursements. However, it is important for the Department's energy to focus on customer service and innovation, rather than on enforcing restrictions, in the process of achieving the Department's primary goals:

- To provide efficient and secure cash management and investment service, emphasizing safety, liquidity, and yield, in that order.
- To consolidate, develop, and maintain a dynamic, progressive, service oriented Information Technology System for the City. This includes hardware, software, and networking. It encompasses PC operations, Citywide enterprise database applications, the Geographic Information System, and Telecommunications support.
- To maintain functional and cost effective payroll and benefit services.
- To develop and maintain a revenue structure, including tax based revenues, fees, and charges, which is fair, equitable, and efficient.
- To provide appropriate municipal licensing and regulatory services as directed.
- To develop, operate, and maintain reliable and responsive accounts payable and municipal billing/receivables systems.
- To provide thorough, accurate, timely, and award-worthy accounting and financial reporting.
- To provide responsive and cost effective centralized purchasing, contract administration, and fixed asset tracking services.
- To insure security of City assets through an effective internal control program, as well as property control, warehouse, and property disposal systems.
- To provide highly responsive and cost effective printing, duplicating, and postal services for all City Departments.
- To provide a work environment which encourages an innovative spirit, a customer service orientation, and a strong sense of responsibility by Department employees.
- To help ensure coverage of all functions by a dedicated work force through increased cross-training and other appropriate measures.
- To develop and maintain the City's facility financing plan.

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Proposed
Salaries and Benefits	\$ 4,391,990	\$ 5,209,234	\$ 4,088,621	\$ 5,848,508
Maintenance and Operations	\$ 1,057,513	\$ 992,121	\$ 788,797	\$ 1,208,450
Capital Equipment	\$ 205,986	\$ 386,101	\$ 297,018	\$ 392,919
Total	<u>\$ 5,655,489</u>	<u>\$ 6,587,456</u>	<u>\$ 5,174,436</u>	<u>\$ 7,449,877</u>

ADMINISTRATIVE SERVICES (Continued)

Financial Services

Every budgetary Division of the Department provides financial services in one capacity or another. Three Divisions composed of Fiscal Services, Revenue, and Accounting, are the primary points of contact for our customers, while the Resource Management Division provides the executive, administrative, and overall coordination of the Department as a whole. The core financial services include licensing, revenue development, tax administration, cashiering, treasury, billing, purchasing, accounts payable, payroll, inventory, fixed assets, budgeting, accounting, internal control, financial reporting, and audit coordination. These vital services support the operations of all frontline departments providing this City's broad scope of Municipal Services.

Beyond the basic financial services, the Department also provides financial planning services that are critical to the City's financial stability and, ultimately, the City's ability to provide and maintain the high quality of municipal services our residents have grown to expect. Departmental personnel assist other departments in budgeting, analyzing, and financing major equipment acquisitions and/or infrastructure improvements. Departmental personnel also manage debt financing levels appropriately, balancing the financial burden across the service life of the improvements.

The **Fiscal Services Division** is now the largest in the Department composed of:

- Central Cashiering
- Accounts Payable
- Print Shop Multigraphics
- Mail Room and Remittance Processing
- Purchasing and Central Warehouse operations
- Parking Meter Management.

Fiscal Services is a diverse Division of twenty full and part-time employees with primary support functions for the Administrative Services Department and the entire organization. The Division's activities include contract administration, purchasing card program, encumbrances and payments processing, and the purchase of materials, equipment, and services for all City Departments. The Central Warehouse, located at the Corporation Yard is responsible for control management of inventory supplies used by numerous field crews of multiple departments. The Warehouse also assists in property control management and the disposal of surplus equipment. Central



Cashiering processes all of the payments made to the City through a multitude of billing systems. In addition, Central Cashiering handles incoming telephone calls and difficult customer service situations. The Print Shop produces thousands of duplicating and multigraphics jobs for an extensive number of customers and works diligently to produce the City's Comprehensive Annual Financial Report (CAFR) and both the Preliminary and Final Budget book sets. Mail Room functions include incoming and outgoing U.S. Postal mail, the folding/insertion of correspondence material, and remittance processing of all City billings. With the additional responsibilities associated with



vendor payables, Fiscal Services is now also coordinating the tax reporting of compensation and benefits on behalf of vendors. Beginning its second year with the Division is the Parking Meter Collection Crew. This staff of four was previously assigned to Public Works and is responsible for the maintenance of the City's parking meters, change machines, and meter coin collection activities. Their coin collection duties result in \$2.2 million of revenue each year.

The **Revenue Division** is responsible for overall revenue administration, including development, recovery, and analysis. This plays a key role in the City's ability to maintain consistent service levels. Staff members monitor proposed legislative

changes that affect the City's revenue streams. They often take a lead role in mounting opposition against bills that have a detrimental impact on municipal services. Staff reviews existing State laws mandating a higher level of service on the City, and pursues reimbursement of the additional costs imposed by the State. As local control over revenue streams has shifted to State and County agencies, Revenue staff's review of the accuracy of subventions from those agencies has increased. The Citywide consolidation of receivables management has increased efficiencies and expanded the Department's customer service responsibilities to its external customers – residents and visitors. Revenue has pioneered and manages a unique program to link like entities across diverse databases to consolidate customer information, and improve customer service and revenue recovery. Included in these customer services is the adjudication of all non-criminal actions taken by City Departments (e.g. parking and administrative citations). Revenue's income contract administration ensures compliance with agreements while maximizing the benefits arising from use of public property. Revenue specific compliance and allocation audits, license inspectors and other revenue enhancement measures ensure a level playing field for all taxpayers within each tax base.

In general, the **Accounting Division** is in charge of the overall accounting, financial reporting and audit management functions as well as the administration and development of the City's operating budget. In this capacity, this division monitors and implements new accounting pronouncements to insure the City adheres to generally accepted accounting practices. This division also oversees several detailed accounting processes including: general ledger maintenance; cash and investment reconciliations; capital asset, debt and assessment district administration; accounting for reserves, designations, grants and other restricted sources. This division acts as the financial historian for the City, accounting for and reporting the City's financial position and results of operation. Consequently, Accounting staff members are often utilized to satisfy information requests, analyze past operation results, as well as estimate the cost of future ventures. Although cities are not required to file income tax returns, cities are not exempt from many federal and state imposed excise tax filings and are required to file many annual compliance reports with various regulatory agencies. Also in charge of City payroll, this Division also coordinates compliance with the Internal Revenue Code and related tax filings concerning employee compensation and benefit plans.

ADMINISTRATIVE SERVICES (Continued)

Information Technology

The **Information Technology (IT) Division** (formerly know as the M.I.S. Division), has the challenge of taking the lead not only for the Administrative Services Department, but also for the entire City in this critical area. The specific functions at issue involve every Department Division at the most fundamental level.

Information and communication technology is a fast moving, ever changing industry that the City must embrace and grow with in order to keep up with the demands of our Community and using Departments. This area of service includes:

- Administration of shared computer systems
- Internet/Intranet access and firewalls and security systems
- E-mail, voice mail, communications systems and devices
- Development and administration of the City's Web site
- Centralized database applications development and support
- Software training
- Personal computer purchasing, support, and network administration
- Geographic Information Systems development and support

Network administration and support includes telecommunications and Wide Area Networking (WAN). The Telecommunications Section operates and maintains the City telephone systems, including City owned and operated pay telephones, and provides LAN and WAN support of hardware and software components required to provide connectivity to all City remote sites. The IT Division also supports a complex Geographic Information System (GIS) designed to provide analysis and mapping capabilities.

The Future

The Administrative Services Department continues to take the lead in providing automation solutions and communications services to all City Departments, the City Council, and members of the public.

City LAN/WAN infrastructure, personal computers and software applications will continue to be upgraded to take advantage of the latest in hardware and software technologies. Voice and data technology solutions will continue to be implemented between all City remote sites in order to provide faster, more efficient, cost effective connectivity. There will be a concentrated effort to increase bandwidth to remote sites using more efficient wireless technologies. Wireless technologies will become more widely used by City employees assigned to work outside of the office. Maintenance and other field personnel will become more reliant on the ability to access remote resources via wireless technologies.

Applications including: core accounting, billing, and HRM modules; GIS; document imaging and management; and Interactive Voice Response (IVR) systems will continue to be developed and expanded. Updated Aerial photography of the entire City and surrounding areas will be incorporated into the GIS system along with light detection and ranging (LIDAR) data that will provide 3 dimensional geographic display and analytical capabilities. The Internet and Intranet Web sites will continue to be developed and expanded with an emphasis towards providing an advanced, more efficient means of communicating and presenting information to citizens and

employees. Additionally, the focus on development of these Web sites will be geared towards implementing sophisticated, interactive solutions and tools designed to provide better, more efficient customer service.

The IT Division is committed to providing enterprise solutions to all City departments. Careful consideration is given toward developing open systems that are able to readily communicate and share information. The move is toward developing and implementing systems that are “user friendly.” The Division also maintains a strong commitment towards providing training and guidance to all City Departments in related information systems areas.

Service Indicators	2004-05	2005-06	2006-07	2007-08
	Actual	Actual	Estimated	Projected
Budget Administered *	\$186,822,264	\$189,686,214	\$252,769,561 **	\$208,924,710
Warrants Issued	17,613	16,443	17,500	19,500
Value of Payments Processed	\$118,250,333	\$117,981,345	\$123,050,000	\$129,500,000
Checks Deposited	213,170	182,557	180,500	178,900
Value of Currency Deposited	\$2,688,069	\$2,912,678	\$3,098,734	\$3,042,310
Annual Payroll & Benefits	\$88,156,993	\$100,311,429	\$100,389,842	\$108,494,514
Paychecks Processed	27,275	27,150	27,400	27,700
Purchase Orders	669	636	640	650
Images Printed	3,961,101	4,443,911	4,046,245	4,376,227
Printing & Binding Jobs	4,333	4,854	4,354	4,555
Mail Room Volume	213,557	239,872	217,269	220,000
Municipal Statements	179,047	178,417	205,000	205,000
Accounts Receivable Billings	5,337	4,687	10,000	10,000
New Business Licenses	5,294	5,530	4,800	7,000 ***
Business License Renewals	14,192	15,233	13,000	13,000
Dog Licenses Issued	2,078	1,525	3,600	5,200
Parking Citations Processed	73,014	73,012	75,000	75,000
Administrative Citations Processed	8,047	7,223	5,000	5,000
Ajudications	3,468	3,321	3,200	3,600
Business Tax Revenue	\$3,458,165	\$3,848,381	\$3,300,000	\$3,465,000
Business Tax Notices	9,643	6,891	13,000	41,000 ****
Transient Tax Revenue	\$9,215,862	\$9,791,057	\$10,738,983	\$11,275,932
Transient Tax Notices	2,839	2,768	3,100	3,100
Film Permits	-	-	140	155
Contracts Administered	-	-	-	48
City Owned Telephone Units	835	865	835	840
Service & Repair Calls	1,944	1,953	1,911	1,900
Average Monthly Calls	79,135	81,358	82,967	84,000

* Budget Administered is limited to gross actual expenditures for FY05 & FY06; while FY07 & FY08 represent the gross budget administered (including internal service charges).

** Increase due to unusually high CIP activity.

*** Increase due to new field license inspector.

**** Prior to FY08, only Business Tax Notices sent to new businesses were calculated; FY08 also includes notices sent to businesses renewing their business license.

Performance Review

POLICE DEPARTMENT

Mission Statement

The Newport Beach Police Department is committed to providing our Community with the highest quality police services possible to maintain the quality of life that is cherished by those who reside, work, and visit here. Our mission is to:

*Respond positively to the Community's needs, desires, and values
and in so doing be recognized as an extension and reflection of those we serve.
Strive to provide a safe and healthy environment for all, free from violence and
property loss resulting from criminal acts, and injuries caused by traffic violators.
Manage inevitable change and welcome the challenge of future problems
with creative solutions which are financially prudent and
consistent with Community values.*



Leadership - required in all that we do

Primary Goals

Neighborhood Watch and Community Outreach will remain a focus of the Department's efforts this year. In order to better respond to the needs of the Community, our Neighborhood Watch Program will be evaluated for ways in which to increase Community participation and the substance of that participation. A redefinition of the neighborhood watch networking process will become an important tool in the implementation of this particular objective. Ways in which to tap into homeowner's association websites and email systems for a two-way information sharing process will be studied. Additionally, quarterly area meetings will attempt to increase the participation of all interested residents instead of only Block Captains.

Recruitment continues to be a high priority for our organization as well as other agencies throughout the profession. This issue will continue as one of our top priorities. In past years we formalized a Recruitment Committee to review and contribute to a recruiting strategy. The adopted strategy will continue.

Leadership Development and Succession Planning continues to be a high priority for our Organization. As our recruitment efforts become more successful and we continue to fill employee vacancies, it becomes increasingly important to develop those new employees as well as existing ones for future promotional opportunities. The Department will reinstitute the highly successful Leadership Development program. As part of our ongoing succession planning, this program will be open to everyone with an emphasis on identifying and developing future Department leaders. The curriculum will be revised to meet the current challenges of modern law enforcement.

New Employee Emersion will be a fundamental objective during this fiscal year. As our recruitment efforts begin to pay dividends, the need for our new employees to feel at home and to move more efficiently throughout the Department and overall City organization is important. An immersion program will be developed in which new employees will be exposed to different Divisions and work units within the Police Department as well as different areas of City government. It is the intent of this program to make our employees as familiar as can be with all facets of local government in order to serve our citizen's more effectively.

Problem Oriented Policing (P.O.P.) will continue to be an important aspect of this Organization's efforts to interact with the Community. New training will be developed in accordance with today's accepted problem solving techniques and delivered to the Department's P.O.P. officers, supervisors or anyone else interested in the training. The Department will also investigate alternate software applications so that the P.O.P. process can be better automated within the police facility and more importantly, in the field.

Capital Projects will occupy the attention of a number of our staff during the coming year as we complete the upgrade of certain areas of our 34 year old facility and focus on it's capability to sustain operations in an emergency.



Recruiting open house for prospective employees

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Proposed
Salaries and Benefits	\$ 28,913,512	\$ 32,049,368	\$ 23,736,230	\$ 34,357,561
Maintenance and Operations	\$ 5,035,792	\$ 5,316,408	\$ 4,811,969	\$ 6,693,543
Capital Outlay	\$ 543,361	\$ 806,260	\$ 231,291	\$ 412,770
Internal Service Fund	\$ -	\$ 600,707	\$ 701,000	\$ 514,000
Total	\$ 34,492,665	\$ 38,172,036	\$ 28,779,490	\$ 41,977,874
Sworn Personnel	148	148	148	148
Non-Sworn Personnel	89	90	92	92
Total Personnel	237	238	240	240

POLICE DEPARTMENT (Continued)

Department Organization

<p>Chief of Police Staffing: 10 plus .49 FTE \$1,876,877</p>
<ul style="list-style-type: none"> Professional Standards D.A.R.E. Media Relations Environmental Services Community Relations Legal Affairs Crime Prevention Citizen's Academy

<p>Traffic Staffing: 32 plus 3.74 FTE \$4,885,727</p>
<ul style="list-style-type: none"> Traffic Services Accident Investigations Motors Parking Control Crossing Guard Traffic Education Animal Control Special Events Planning

<p>Fleet Maintenance Staffing: 2 \$1,622,476</p>
<ul style="list-style-type: none"> Parts Inventory Automotive Service Equipment Replacement Collision Repair Vehicle Maintenance

<p>Patrol Staffing: 97 plus 4.29 FTE \$15,827,292</p>
<ul style="list-style-type: none"> Watch One Watch Two Watch Three Jail Unit S.W.A.T. Bicycle Unit Canine Unit Disaster Planning Helicopter Program (A.B.L.E.) Volunteer Program Reserve Officer Unit Hostage Negotiation Unit

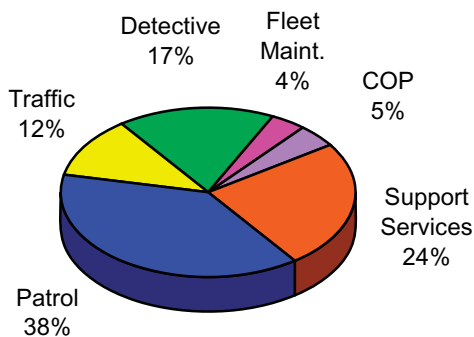
<p>Support Services Staffing: 55 plus 6.84 FTE \$10,155,564</p>
<ul style="list-style-type: none"> Alarms Officer Communications Video Unit Property Unit Polygraph Unit Fiscal Services Records Section Training Section Range/Armory Computer Systems Planning/Research Facility Maintenance Electronic Equipment Repair

<p>Detectives Staffing: 44 plus .19 FTE \$7,095,939</p>
<ul style="list-style-type: none"> Detective Services Crimes Persons Property Crimes Juvenile/Sex Crimes Narcotics Section Economic Crimes Crime Scene Investigations Photo Unit Vice/Intelligence Crime Suppression Unit Crime Analysis Auto Theft Task Force (OCATT) School Resource Regional Narcotic Suppression Program (R.N.S.P.)

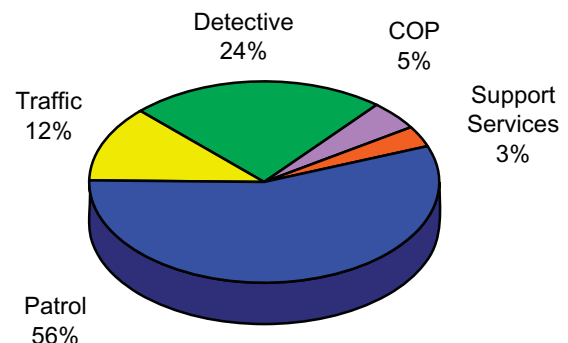
(Figures do not include Asset Seizure or other grant funds)

Resource Distribution

The Police Department is comprised of the following divisions of responsibility – The Office of the Chief of Police, Patrol/Traffic, Detectives, Support Services, and Fleet Maintenance. Under the leadership of Chief Bob McDonell, the Department's management team includes three Captains and nine Lieutenants. Of the Department's authorized strength of 148 sworn officers, over 90% of them are assigned to field or investigative positions. Personnel related costs make up 83% of the Police Department's total budget, with the remainder devoted to training, technology, office equipment, supplies, and other operational costs.



FY 08 Budget by Division
(NAFF & Grant Funds Not Included)



Sworn Officers by Division



New Department members take the Oath of Office to serve the Community

Service Indicators

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Projected
Part One Crimes*	3,028	3,045	3,081	3,062
Adult Arrests	3,079	2,999	3,021	3,110
Juvenile Detentions	251	264	289	277
Crime and Miscellaneous Reports	10,079	10,182	10,278	10,301
Calls for Service	58,039	62,429	66,816	66,819
CAD Events	82,945	83,343	83,741	84,139
Domestic Violence Cases Investigated	276	245	237	272
Number of Cases Assigned for Investigation	4,343	4,317	4,396	4,291
Number of Cases Assigned per Detective	310	309	318	308
Value of Property Recovered	2,720,795	3,832,647	3,400,042	3,331,433
Field Interviews Conducted	5,912	4,965	4,501	4,474
False Alarms Handled	Unavailable	3,727	3,647	3,516
Animals Impounded	550	558	524	562
Animal Control Citations Issued	926	886	885	846
Fatal Traffic Collisions	5	4	7	6
Injury Traffic Collisions	542	508	553	557
Property Damage Collisions	953	861	864	840
Vehicle Code Citations/Warnings issued	17,553	18,151	18,401	18,288
Other Citations Issued	3,669	3,578	3,249	3,487
Parking Citations Issued	72,665	74,780	71,561	71,898

* Part One are the eight most serious crimes (Homicide, Forcible Rape, Robbery, Aggravated Assault, Burglary, Larceny-theft, Auto Theft and Arson) as defined by the FBI in the Uniform Crimes Reports.

FIRE DEPARTMENT

Mission Statement

To reduce the loss of life and property from fire, medical, marine, and environmental emergencies through education, prevention, hazard reduction, and response

The mission statement above provides the framework for all of the goals and activities of the Newport Beach Fire Department. The Department's 154 full-time employees and over 225 seasonal employees provide 24-hour protection and response to the City's residents and visitors.



Primary Goals

- Identify and reduce fire and environmental hazards that may threaten life and property.
- Provide a safe, effective and expeditious response to requests for assistance.
- Develop an adequately trained work force to effectively perform their duties.
- Participate in the community development planning process to improve fire and life safety.
- Encourage department personnel to assume leadership roles in the organization.
- Plan for response to natural and man-made disasters that affect the community.
- Educate and train City employees and the community to assist them in maintaining a safe environment.

2007-2008 Emphasis

With strong roots and a long history, the Fire Department continues to develop and enhance its mission of superior safety, service, and professionalism. The department focuses on effective and efficient methods for the delivery of public safety services to the community of Newport Beach. This is the expanded level of assistance Newport Beach citizens have grown to expect. The Fire Department continues to build on past successes and strives to meet the future demands of a unique and expanding community. Today, the Newport Beach Fire Department places emphasis on Emergency Services, Fire Prevention, Disaster Preparedness, and the Training and Education of those who serve as well as those to be served.

Emergency Services

The Newport Beach Fire Department strongly believes in offering our community the highest level of service. In order to provide the highest level of emergency services, the Fire Department maintains one Operations Division, which encompasses fire, emergency medical service, and lifeguard responders. Our fire emergency responders are strategically located in eight fire stations around the city, ensuring they can respond rapidly to emergency situations. A focus for 2007-2008 will be finishing the construction and begin training classes at our new fire station in Santa Ana Heights. The new facility will include a firefighter training facility and community training classroom. These additional facilities will allow the department to not only enhance our existing emergency operations for Santa Ana Heights, but also improve operations throughout the city with enhanced firefighter training. In addition, the community classroom will allow us to offer additional public safety classes to the residents in a variety of subjects. Our emergency medical service responders rely on advanced equipment



to save lives, including Automatic External Defibrillator (AEDs), paramedic monitors that easily identify heart attacks, and devices that monitor blood sugar levels. New modular ambulances were acquired which offer more patient treatment room and easily accommodate advanced medical equipment. Our "Fire Medics" program is currently utilizing a medical information system, called Aculert, where our residents can provide medical and family contact information prior to an emergency. With the swipe of a Driver's License or special identification card, paramedics can quickly access information via handheld computer.

Ocean Lifeguards - Our Ocean Lifeguards protect over 10 million beach visitors on Newport Beach's 6.2 miles of ocean and 2.5 miles of bay beaches with preventative actions and medical assistance. Every day of the year, lifeguards ensure the safety and provide customer service to the visitors on the beach, boardwalk, piers, and in the ocean. The Lifeguard Division provides the City of Newport Beach with the highest level of lifeguarding services and is recognized as an Advanced Agency by the United States Lifesaving Association.

All of our emergency response personnel are highly trained and strive to ensure the safety of our community.

Fire Prevention

The goal of the Fire Prevention Division is to safeguard the community from fire and environmental hazards through programs providing for adherence to fire regulations, public education, and hazard mitigation. To meet this goal, the Division's responsibilities include:



FIRE DEPARTMENT (Continued)

Fire Safety Inspections - It is the duty of the Fire Prevention Division to inspect all commercial occupancies including: retail stores, business offices, high-rise buildings, educational facilities, apartment buildings, residential care facilities and acute care facilities such as hospitals, surgery centers and so forth. Private residences are inspected at the request of the individual property owner.

The condition of built-in fire protection equipment, interior finishes, exits, operation of exit doors, exit signs, fire doors, emergency lighting, interior and exterior storage, and hazardous materials are inspected. On site visits and one-on-one discussions with a property owner or manager are an important factor in eliminating potential fire problems.

Over 6500 commercial occupancies are included in the Division's inspection program. The majority of which are inspected by the Department's firefighters. Highly technical inspections, such as schools, care facilities, hospitals and similar institutions are inspected by Fire Prevention Specialists from the Fire Prevention Division.

Plan Review -The Fire Prevention Division reviews all plans in conjunction with the building department. The review of building plans provides the Fire Department with an opportunity to verify that fire and life safety requirements are being met prior to the completion of the building.

Pre-submittal Review - As a service to our customers, the Fire Prevention Division provides consultation services to architects, developers, contractors and property owners prior to plan submittal. This review provides an overview of fire and life safety regulations which may affect the proposed building and the surrounding area. By providing this service, we have greatly reduced the amount of corrections that need to be made by the applicants and, therefore, we have reduced our plan check turn around time to less than two weeks.

Fire Investigation - The Fire Department investigates all fires to determine fire cause. The Fire Prevention Division coordinates the efforts of the Operations Division's six on-duty fire investigators. Our six professional fire investigators work in conjunction with the Newport Beach Police Department and assist in criminal investigations by determining the origin and cause of fires. An additional focus is on identifying factors that can be used to lessen the number of fires in the future. Data from fire investigations can help enhance inspection procedures, public education programs and fire suppression activities.

Special Fire Protection Areas – The Fire Prevention Division provides inspection services to all of the residential properties within the City's wildland interface areas including: Newport Coast, Corona Del Mar, Mission Bay Canyon, plus the Eastbluff and Westcliff communities.

New developments, including all newly annexed property in Newport Coast, comply with the City's Fuel Modification Standard. This standard specifically identifies the type and quantities of largely non-combustible vegetation that can be planted at the time of new construction. The standard also contains provisions for annual maintenance and upkeep of the designated properties by property owners or homeowner's associations.

A second standard for Hazard Reduction has been adopted to address the needs of existing residences, such as those outside of Newport Coast. The Hazard Reduction Standard allows homeowners and fire prevention specialists to work with existing landscapes to create defensible space between the homes and wildland areas, which enables firefighters to better protect the threatened properties.

All Special Fire Protection Areas are inspected annually to ensure compliance. Our staff is also assisted by the firm of Dudek and Associates who provide technical expertise and assure compliance with all State and Federal wildlife regulatory agencies.

Hazardous Materials – As a member of the Orange County Certified Unified Program Agency (CUPA), the Newport Beach Fire Department is responsible for the collection of hazardous materials disclosure information and business emergency planning. This information is collected annually from all businesses within the City of Newport Beach that handle or store more than 55 gallons, 200 cubic feet or 500 pounds of hazardous materials. Approximately 150 businesses participate in the program.

Disaster Preparedness

Due to its geographic location, the City of Newport Beach is vulnerable to a multitude of different threats, including earthquakes, fires, floods, terrorism, pandemic and tsunamis. Therefore, disaster preparation is a high priority for the Fire Department. The Disaster Preparedness Section of the Training Division is committed to providing education and training to all City employees and residents. The City's Emergency Operations Center (EOC) is regularly activated for drill scenarios and we continually enhance our response capabilities. Our City employees receive regular preparedness and safety training through the Emergency Response Team (ERT) program. In addition, all full-time City employees are certified Disaster Service Workers, trained and ready to respond to any large disaster or emergency.

Disaster training for the residents within the City also continues to thrive through two successful programs, the Community Emergency Response Team (CERT) program, and the newly created Neighborhood Disaster Preparedness Course. The CERT program, which is currently being offered four times a year, teaches residents how to prepare, be self-sufficient, and respond to any large disaster. The Neighborhood Disaster Preparedness Course teaches residents basic disaster preparedness, family emergency planning, and home safety measures. This three hour course is offered to any requesting community group or neighborhood association. Additionally, basic disaster preparedness presentations are given to any requesting business, school, or community group within the city.



The next step in disaster preparedness is continued public outreach to all 165 homeowner associations in the city, with the ultimate goal of creating a Neighborhood Disaster Response Team with trained citizen CERT members in each community. The neighborhood teams will perform initial critical functions following a large disaster until emergency personnel arrive. These measures will save lives and allow emergency personnel to focus their efforts on other critical life saving functions. This is one example of how residents and the City are working together as "Partners in Preparedness" to achieve an all encompassing disaster preparedness plan.

FIRE DEPARTMENT (Continued)

Training and Education

The Newport Beach Fire Department continues to strive for excellence in training and education for both department employees and our community. Department employees participate in a combination of classroom instruction and field drills. Newport Beach Fire and Lifeguard personnel consistently receive the highest scores in the training classes completed. The Department Training Program concentrates on excellence and effectiveness in our provision of life saving services. As previously mentioned, the construction of the new fire station and training facility in Santa Ana Heights will allow us to improve firefighter training and community education programs. Emergency responders will continue training on the National Incident Management System (NIMS) to comply with the new Federal Regulations. Additionally, firefighters will continue training for response to Hazardous Materials and Weapons of Mass Destruction incidents which will sustain each employee's knowledge base at a high level. The combination of personnel growth and individual skill development unites to form a uniquely effective department.



The Fire Department also provides excellent community education. Department members provide safety instruction and training to school age children through the Junior Firefighter, the Junior Lifeguard, and Lifeguard Cadet Programs. Lifeguard personnel have continued our "CPR in the Schools, Working Together to Save Lives" program. Each year in this program, over 700 Newport-Mesa high school safety education students are taught CPR and other safety instructions.

The popular Public Safety Day Open House, held each October during Fire Prevention Week, gives Department personnel the opportunity to demonstrate our many skills developed through extensive training. It also provides an opportunity to interact with our community members, allowing for in-depth safety education.

Allocation Plan

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Proposed
Salaries and Benefits	\$ 20,958,710	\$ 22,638,749	\$ 16,980,432	\$ 24,629,190
Maintenance and Operations	\$ 3,469,093	\$ 3,858,731	\$ 3,193,612	\$ 4,656,329
Capital Outlay	\$ 173,608	\$ 323,666	\$ 434,377	\$ 302,335
Total	<u>\$ 24,601,411</u>	<u>\$ 26,821,147</u>	<u>\$ 20,608,421</u>	<u>\$ 29,587,854</u>
General Tax Revenue	\$ 20,924,636	\$ 22,960,322	\$ 17,794,490	\$ 26,002,544
Other Revenue	\$ 3,676,775	\$ 3,860,825	\$ 2,813,931	\$ 3,585,310
Total Revenue	<u>\$ 24,601,411</u>	<u>\$ 26,821,147</u>	<u>\$ 20,608,421</u>	<u>\$ 29,587,854</u>
Non-Sworn Personnel	14	15	16	16
Sworn Personnel	<u>134</u>	<u>135</u>	<u>138</u>	<u>138</u>
Total Full-time Personnel	148	150	154	154
Seasonal - (FTE)	30.78	30.78	31.77	33.13

Under the direction of Fire Chief Steve Lewis, the Fire Department is divided into five divisions:

<p>Safety Operations Staffing: 130 plus 21.39 FTE \$23,009,134</p> <p>Fire Suppression EMS Response & Transportation Ocean Safety/Beach Rescue Dive Team Rescue Boats Hazardous Materials Response Hazardous Situation Mitigation Fire Prevention Inspections</p>	<p>Administration Staffing: 8.5 plus 1 FTE \$1,448,977</p> <p>Apparatus & Equipment Budgeting Communications Facility Management Mapping Personnel Purchasing and Procurement</p>	<p>Emergency Medical Services Staffing: 1.5 \$2,025,648</p> <p>EMS Financial Management Continuing Education Employee Health Exposure Control Medical Quality Assurance Medical Disaster Planning</p>
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<p>Training Staffing: 7 plus 10.74 FTE \$1,885,806</p>
<p>Fire Training Lifeguard Training Junior Lifeguard Program Lifeguard Cadet Program Junior Firefighter Camp Community Relations & Education Public Information Disaster Preparedness Emergency Management C.E.R.T. Program Community Disaster Preparedness</p>

<p>Fire Prevention Staffing: 6 \$1,218,289</p>
<p>Fire Code Enforcement Hazardous Materials Regulation Hazardous Vegetation Management Knox Box Access System Fire & Arson Investigation Fire Code Plan Checks Fire Code Building Inspections Special Event Management</p>

Service fee programs include the paramedic service fee program, and emergency ambulance transportation. Other service fee systems in place include: fire permit fees, the Fire Medics program, and the Junior Lifeguard program. Users of any of these programs offset their end result costs.

Service Indicators	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Projected
Fire Responses	228	214	175	300
Medical Responses	5,568	5,382	5,772	5,900
Fire Medics Membership	5,800	5,840	6,529	7,000
Water Rescues	4,384	2,257	3,916	6,000
Lifeguard Medical Aids	7,348	8,905	5,291	7,700
Boats in Distress	96	91	128	100
Preventative Actions	118,190	70,862	84,949	125,000
Fire Alarm Responses	737	693	791	1,250
Other Emergency Responses	2,296	2,736	1,671	3,000
Public Education Contacts	4,369	4,402	4,500	8,000
Fire Inspections	4,550	6,470	7,000	6,600
New Construction Inspections	Not available	801	917	1,100
Beach Attendance	8,309,790	6,758,342	7,580,988	10,000,000

PLANNING DEPARTMENT

*To guide community development in the public interest
as a responsive, responsible, and knowledgeable
planning team.*

Department Overview

The Planning Department prepares and implements both short and long-term strategies that promote City Council priorities for enhancing the physical environment, the character and quality of neighborhoods, and the overall experience of the Newport Beach community. Planning Department team members strive to provide superior service to residents and property owners and professionals in the development community.

Planners are responsible for interpreting and applying the provisions of the General Plan, Zoning Code, Local Coastal Program, and related codes; planners work with customers in determining appropriate uses of properties, in identifying suitable site plan configurations, and in designing buildings of size, scale, and character consistent with traditions of excellence that define Newport Beach. Planners provide the staffing resources for the Planning Commission and the City Council for a variety of land use and development projects requiring public hearings pursuant to the Newport Beach Municipal Code.

Program managers in the Community & Economic Development division develop and implement the City's economic development policies and programs, including the Strategic Plan for Fiscal and Economic Sustainability. They are the staff liaison to the Economic Development Committee, four Business Improvement Districts (BIDs) and many of the City's business associations and community-based organizations like the CdM Farmer's Market and the Newport Beach Film Festival. The program managers administer the City's community development programming, such as the Community Development Block Grant.

Budget Highlights

In the fall of 2006, voters approved the City's Comprehensive General Plan update. The General Plan serves as the statement of official policy for Newport Beach's long term physical development. The update process occurred over several fiscal years and the implementation of the Plan's polices is now in progress. The Planning Department budget for 2007-2008 reflects funding for special projects related to implementation of both the General Plan and Local Coastal Program. A comprehensive update of the Zoning Code to make it consistent with the new General Plan was funded as a budget amendment in fiscal year 2006-2007;



Planning Department programs for gaining California Coastal Commission approval for both an amended Coastal Land Use Plan and for the Implementation Plan for the Local Coastal Program consistent with the General Plan are included in the 2007-2008 budget.

Implementation of the City's Housing In-lieu fee is anticipated in calendar year 2007 and an allocation for consultant work needed to implement the program is included in this year's budget. Consultant work required to finalize the update of the General Plan Housing Element and gain State certification will continue during this fiscal year but was funded in Fiscal Year 2006-2007. The archiving of Planning Department case files in electronic format was partially funded in fiscal year 2006-2007 and is funded through fiscal year 2007-2008 with completion anticipated in fiscal year 2008-2009.

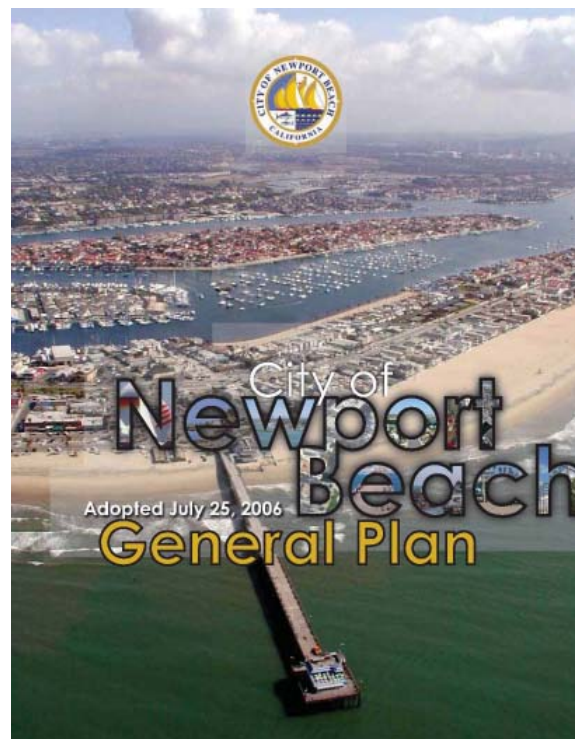
Funding for four new Planning Department staff positions previously authorized by City Council to reduce turnaround time for plan check submittals is included in the 2007-2008 budget. Two Plan Check Specialists joined the Planning staff near the end of the 2006-2007 fiscal year. A recruitment to fill two additional Assistant Planner positions will begin during the 2007-2008 budget year.

City of Newport Beach

Local Coastal Program



Coastal Land Use Plan



PLANNING DEPARTMENT (Continued)

Primary
Goals

This Year's Objectives

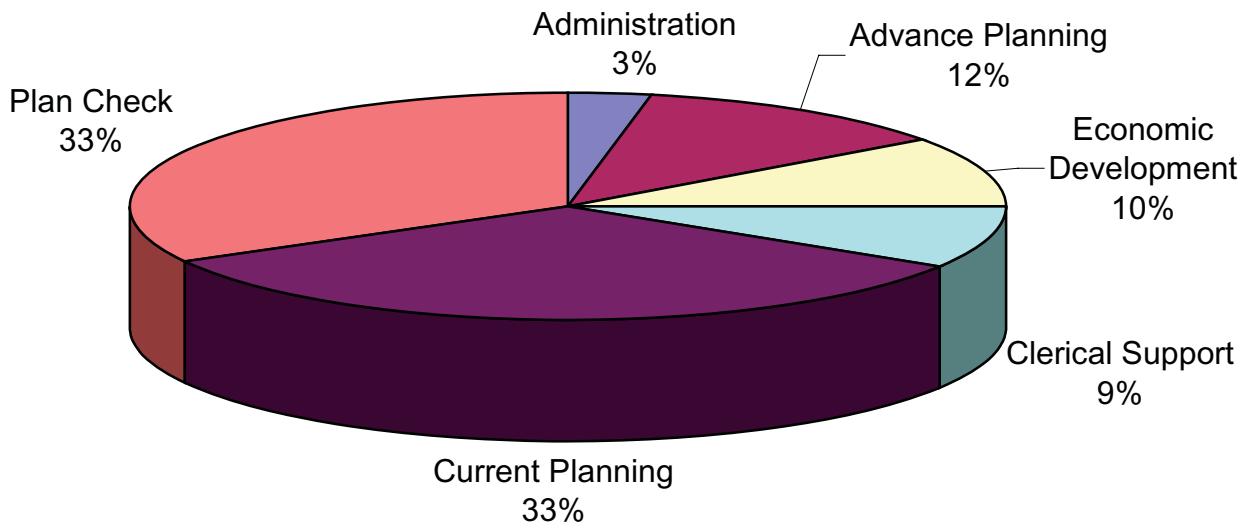
- Continue to implement the General Plan
- Complete comprehensive Zoning Code update
- Gain California Department of Housing and Community Development certification of the updated General Plan Housing Element
- Gain California Coastal Commission certification of revised Coastal Land Use Plan
- Gain California Coastal Commission certification of Local Coastal Program Implementation Plan
- Present Housing In-Lieu fee for City Council adoption
- Implement Strategic Plan for Fiscal and Economic Sustainability
- Continue to implement department organizational changes to improve customer service and streamline discretionary project processing
- Reduce zoning plan check turnaround time to eight weeks or less for first plan submittal
- Provide on-site professional development and training courses whenever possible to achieve economies of scale in enhancing planners' expertise
- Continue planning case files electronic format archival program
- Prepare appropriate land use regulations to minimize impacts of intensive residential occupancies including group homes

Allocation
Plan

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Proposed
Salaries and Benefits	\$ 1,601,550	\$ 1,833,686	\$ 1,392,814	\$ 2,279,202
Maintenance and Operations	\$ 552,449	\$ 1,448,136	\$ 606,243	\$ 416,117
Capital Outlay	\$ 27,632	\$ 12,374	\$ 2,010	\$ 57,750
CDBG Fund	\$ 136,690	\$ 187,327	\$ 62,918	\$ 129,000
Total	<u>\$ 2,318,321</u>	<u>\$ 3,481,522</u>	<u>\$ 2,063,985</u>	<u>\$ 2,882,069</u>

Planning Activities Overview	2004-2005 Actual	2005-2006 Actual	2006-2007 Estimated	2007-2008 Projected
<i>Application Type</i>				
General Plan Amendments	8	10	5	2
Code Amendments	15	9	12	14
Use Permits	60	34	39	35
Variances	5	2	1	2
Tract Maps/Parcel Maps	62	71	28	24
Modification Permits	113	149	100	70
Condominium Conversions	21	40	4	4
Lot Line Adjustments	10	14	18	8
Plan Checks	6,534	6,063	5,786	5,520

Department Functions by Staff Hours



Planning/Administration
Staffing: 20 plus .4 FTE \$2,260,700
<ul style="list-style-type: none"> Planning Commission Environmental Quality Affairs Committee Advance Planning Current Plans & Projects Plan Check Environmental Review GIS/Data & Demographics Regional Planning Activities Housing

Economic Development/CDBG
Staffing: 3 \$621,369
<ul style="list-style-type: none"> Economic Development Committee Special Project Management & Coordination Peninsula Revitalization/PROP Committee Business Improvement Districts Business Retention/Recruitment CDBG Administration

BUILDING DEPARTMENT

Mission
Statement

To ensure the quality of life of those who live, work, and visit the City of Newport Beach by promoting safety in the regulation of the construction, use and occupancy of buildings and by taking a customer oriented approach to finding educated, cost effective solutions.

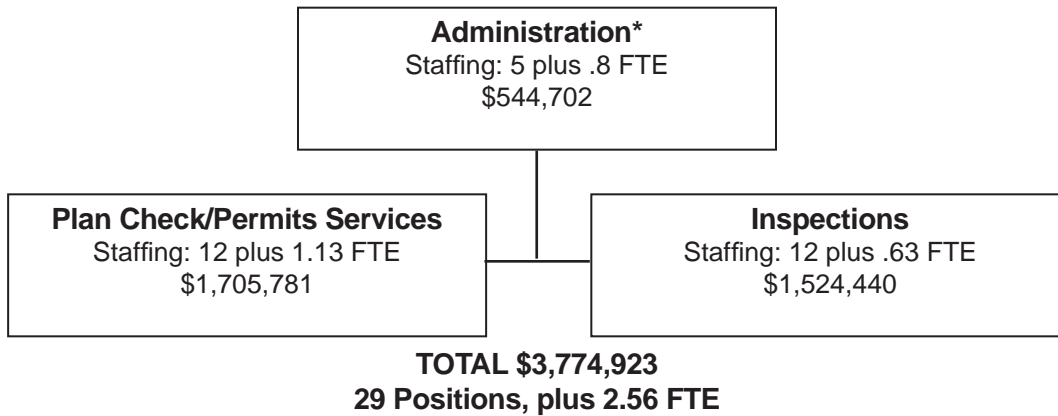
Department Highlights

The Building Department ensures the health and welfare of the residents of Newport Beach by regulating the construction, use, and occupancy of buildings and other alterations through the application of standardized model building codes. It continues a tradition that can be traced through recorded history for over 4,000 years in which people have become increasingly aware of their ability to avoid the catastrophic consequences of building construction failures. The Building Department ensures that the standards set by these codes for construction are met through plan review, permit issuance and on-site inspections. The Newport Beach Building Department was a key member of the uniformity effort to develop a uniform set of codes throughout Orange County.

Primary Goals

- Maintain a management system that effectively and efficiently utilizes resources to achieve the mission of the organization.
- Continue enhancements to the "Permit Plus" permit tracking and processing system.
- Continue to look for ways to improve service delivery to our customers.
- Facilitate compliance with City-adopted codes and State-mandated standards.
- Adopt the recently State-adopted 2007 codes which take effect in January 2008.
- Train staff on the new 2007 State building codes.
- Update correction lists, forms, handouts, standard plans, policies, and inspection standards according to the newly adopted 2007 State building codes.
- Continue the quality assurance program for all department activities.
- Continue to process permit applications efficiently and complete 90% of all plan reviews within four weeks turn-around goal.
- Utilize new technological advances to make customer dealings with the Building Department more efficient and convenient.
- Achieve consistency in plan check, inspections, and interpretations through staff training and interaction.
- Continue to catalog and integrate the County records as they are received from the County of Orange for Newport Coast for customer and staff access.
- Continue to improve plan tracking and storage methodologies to provide access to plans and permits as easy as possible.
- Expand our current on-line inspection information to enable for our customers to read inspection comments on line.
- Evaluate the feasibility of submitting drawings into plan check electronically instead of paper drawings.

Primary
Goals



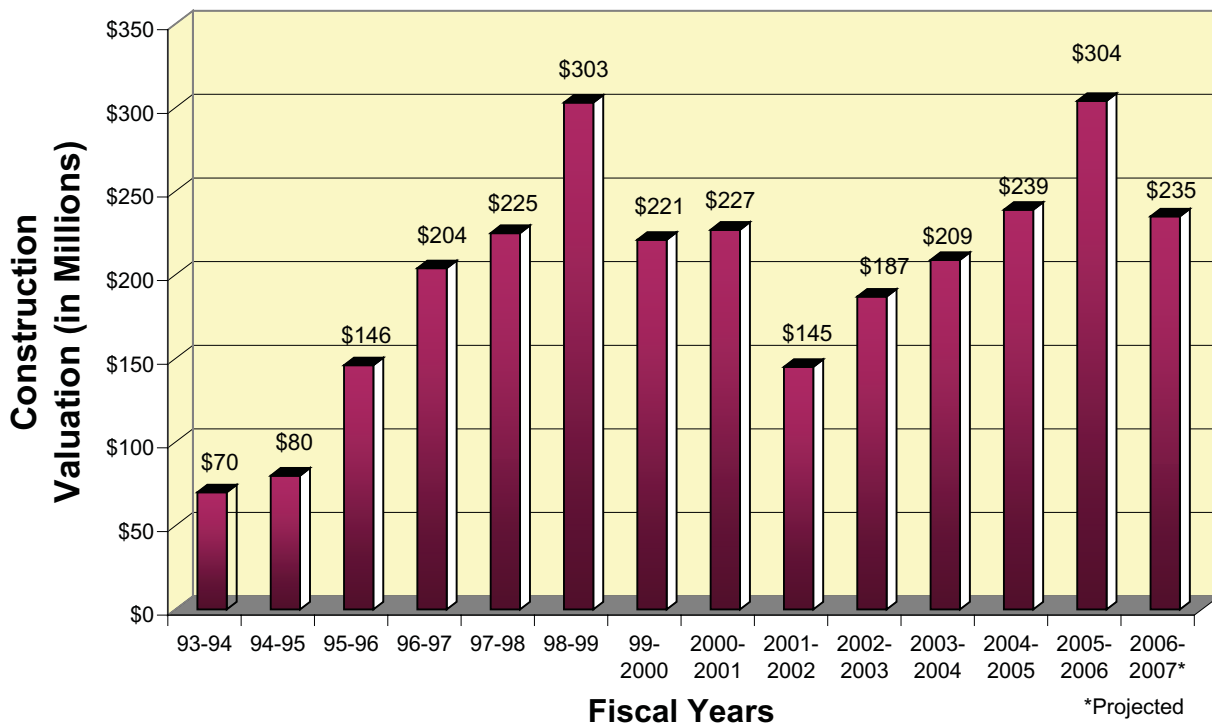
*The Building Department pools clerical support staff for all three divisions under the Administration Division.

Budget Highlights

The Building Department is responsible for reviewing construction drawings and inspecting building construction to verify compliance with minimum building safety standards required by local and State construction codes. The Building Department budget is divided into three sections: Administration, Plan Check/Permits Services, and Inspections.

Projected Construction Activity for Fiscal Year 2006-2007

Total Construction Valuation:	\$235,492,000	Number of Plan Submittals:	2,500
Number of Building Permits:	2,900	Total Inspections:	35,600
Total Number of Permits:	9,000		



BUILDING DEPARTMENT (Continued)

Administration Division is responsible for the overall management of the department operation, such as technical and administrative direction to staff, setting policies and standard operating procedures, training, code interpretation, processing building code modification applications, and staffing the Building and Fire Board of Appeals. The division is also responsible for both customer service and assisting other staff members. Administrative staff assists walk-in customers as well as answering phone calls. Phone tasks include helping with inspection requests, relaying inspections times, providing flood zone determinations, taking citizen complaints regarding unsafe and/or illegal construction occurring in their neighborhood, handling public utility releases, and a variety of customers' questions.



Customer reviews building records on microfiche and computer



Active project plans

The Administration Division is responsible for the archiving of documents, construction permits and plans. These documents are scanned and built into a database for future reference. Staff assists customers such as architects, contractors, real estate agents, appraisers and homeowners conduct research to find archived documents. Customers frequently require access to plans when planning new projects such as remodels, alterations and additions. These documents currently exist in a number of mediums including hard copy or original format, microfiche and now digitally scanned alchemy files. Administrative staff and the Records Specialist are currently working on the process to migrate all documents into digital format. The next step in the data migration process is to scan the microfilm plans from previous years. The Records Specialist is responsible for the tracking and maintenance of plans for all departments during plan check and inspection.

Plan Check/Permits Services Division processes applications for construction permits and associated drawings and performs plan review to make sure projects comply with all building code standards and requirements before permit issuance. This is accomplished by reviewing construction documents for code compliance for structural, architectural, grading, and fire safety as shown on submitted plans. This service saves the builder from costly changes that could be made during construction and lends the additional expertise of a building department code professional to the project.



Building Counter

Assistance on the technical requirements of codes is provided over the counter to homeowners, contractors, architects and design engineers by Building Department staff engineers. The Building Department currently offers an over the counter plan check service by appointment. The subtrades plans examiner reviews electrical, mechanical, plumbing, fire alarm and fire sprinkler drawings, and he is available to answer customers' questions. The plan check division is proud of its quality and timely processing of all construction documents and permits and has consistently met the stated goal of 90% of plan reviews within four weeks or less since July 2002.

Inspection Division ensures that projects conform to the approved plans as well as the various building codes and local ordinances and that the site conditions are consistent with the plans approved by the City. The Inspection Division is comprised of commercial and residential units, which allows our inspectors in those areas to stay current on types of inspections they are asked to perform. For example, in commercial projects detailed familiarity with disabled access requirements are essential to those assigned to our commercial unit. Similarly, issues in residential inspections relating to habitability are not normally encountered in commercial inspections. Periodic rotation of the inspectors in the residential and commercial units allows them to become familiar with these specific issues.



A Building Inspector reviewing plans prior to inspection

The commercial inspection unit performs commercial combination inspections which benefits our customers since they are dealing with one inspector for several building trades in addition to the efficiency resulting from handling several trades' inspections by an individual inspector in one visit. "Inspection Services" is beneficial to our customers in that it provides a well-trained third party to oversee



Concrete placement for the new Big Canyon Country Club Foundation

the work being provided by their contractor and ensure that the code prescribed, minimum level of safety, and workmanship is maintained regardless of whether the project is commercial or residential. This division is also responsible for conducting Residential Building Records (RBR) inspections at the time of sale for all residential buildings. In an effort to be as efficient and productive as possible, the inspectors utilize wireless lap tops in the field. The inspectors input and maintain all records electronically, which keeps our records accurate and gives the inspector access to permit records while in the field. This real time wireless system offers many benefits to our customers, including instant inspection results on the Internet.

BUILDING DEPARTMENT (Continued)

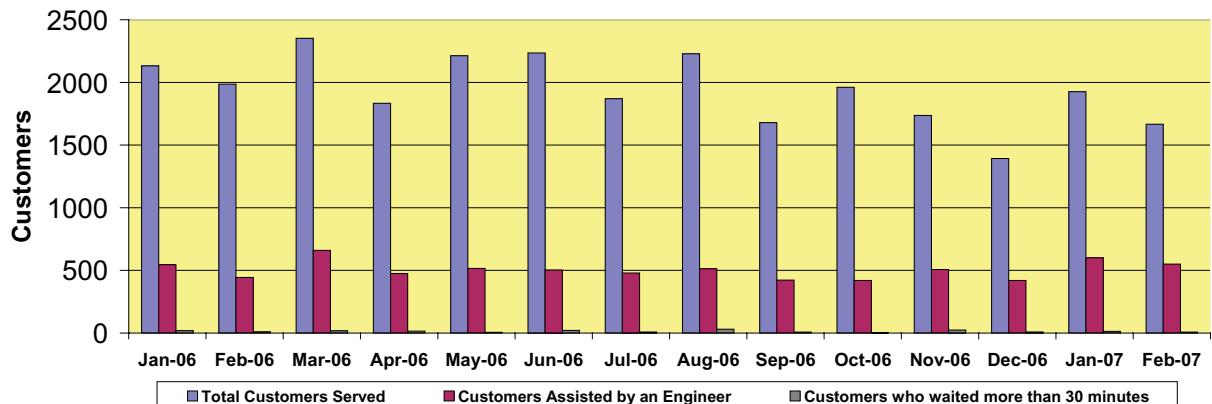
Performance Review

Service Indicators	2004-2005	2005-2006	2006-2007	2007-2008
	<u>Actual</u>	<u>Actual</u>	<u>Estimated**</u>	<u>Projected**</u>
Plan Submittals	3,059	2,851	2,500	2,400
<i>Permits Issued</i>				
Building/Combination Permits Issued*	3,793	3,396	2,900	2,800
Grading Permits*	319	306	275	200
Electrical Permits*	2,202	2,637	1,850	1,200
Plumbing Permits*	1,924	1,694	1,350	1,000
Mechanical Permits*	1,366	1,288	1,060	800
Pool/Spa Permits	162	176	160	150
Harbor Permits	87	111	115	110
Residential Building Records Permits	1,572	1,347	900	700
Fire Permits	580	527	390	350
<i>Total Permits Issued:</i>	12,005	11,482	9,000	7,310
<i>Inspections</i>				
Building Code Enforcement	259	193	185	180
Inspections related to Complaints	1,052	948	950	900
RBR Inspections	1,241	922	625	500
Construction Inspections	34,935	33,846	33,840	30,000
<i>Total Inspections:</i>	37,487	35,909	35,600	31,580

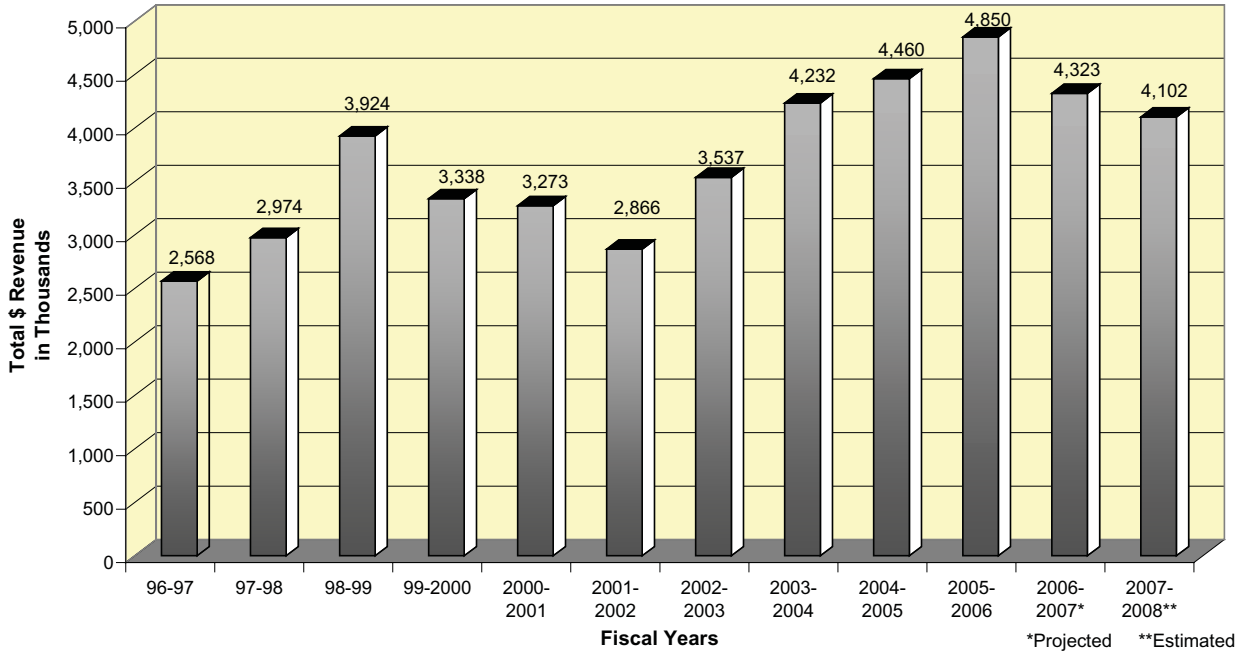
* Combination permit is issued in lieu of sub permits effective November 2006

** Seasonal conditions and economic factors can significantly affect future projections

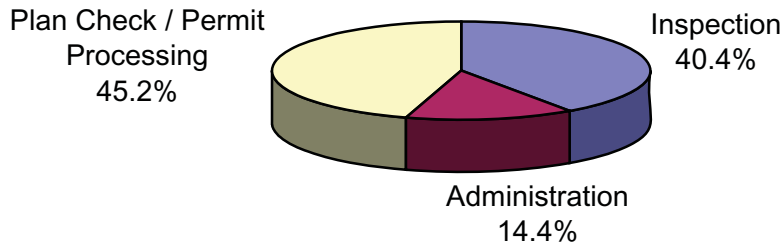
Customer Activity 2006-2007



Building Department Revenue



Building Department Expenditures by Function



	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Proposed
Salaries and Benefits	\$ 2,562,909	\$ 3,197,202	\$ 2,451,468	\$ 3,439,822
Maintenance and Operations	\$ 699,369	\$ 590,009	\$ 374,552	\$ 308,601
Capital Outlay	\$ 30,340	\$ 13,950	\$ 18,990	\$ 26,500
Total	\$ 3,292,618	\$ 3,801,161	\$ 2,845,010	\$ 3,774,923

GENERAL SERVICES

*To provide optimal services and support to the residents,
business community, and other City departments
through dedication and excellence
in safety, performance, and cost containment.*

Annual Department Goals

- Provide exemplary level customer service to the public, other departments, and agencies
- Coordinate beautification programs throughout the City
- Improvement and maintenance of community assets
- Ensure environmental responsibility with recycling and storm water management programs
- Expand supervisory, technical, and safety training for employees
- Welcome innovation and creative solutions from all sources
- Improve disaster preparation and coordination
- Empower and train employees for greater responsibility

Department Overview

The General Services Department consists of six divisions that are identified in the organizational chart on the next page.

Department functions include residential refuse collection and recycling; maintenance of the City's urban forest, parks and landscaped areas, storm drains, tide valves, beaches, traffic signs, pavement markings, and public facilities; management and replacement of the City fleet of vehicles and equipment; and improvement of public streets and sidewalks.

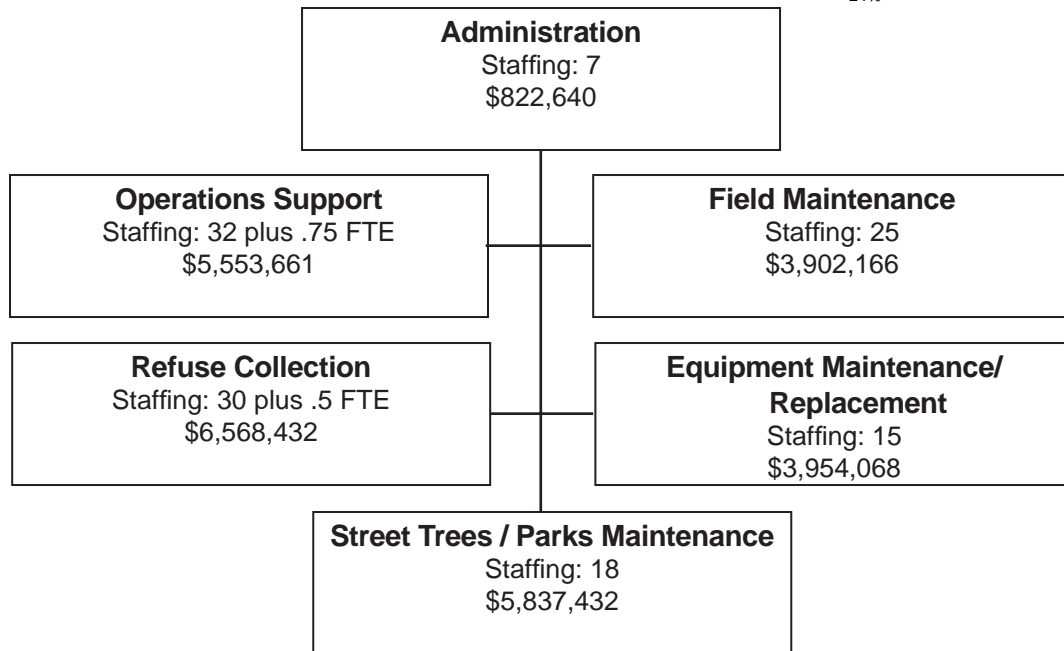
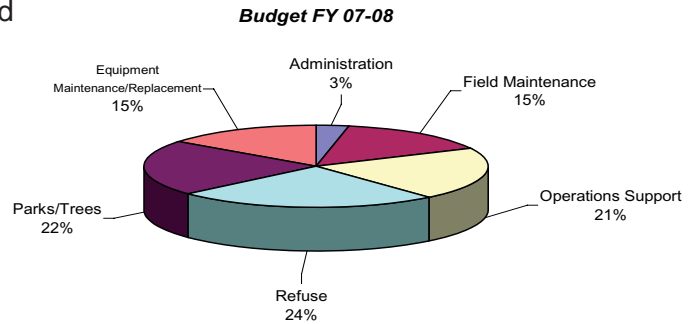
In Fiscal Year 2007-08, the Department's main objectives will focus on maintaining a high level of service to the public and other City departments. In addition to these objectives, each division within the department has identified key challenges and emerging projects.



Resource Distribution

The General Services Department is comprised of the following six divisions:

- Administration
- Field Maintenance
- Operations Support
- Parks Maintenance / Street Trees
- Equipment Maintenance / Replacement
- Refuse Collection



Budget Highlights

Fiscal Year 2006-07 featured several highlights, as the department assumed additional responsibilities and staff continued its efforts in maintaining and improving community streets, parks, and facilities. In addition to these efforts, staff provided a high degree of support in planning and logistics for the City’s Pier to Pier, 100-year anniversary celebration. Also during the year, the Department conducted a considerable amount of research and analysis on developing new environmental programs for the City. This work will allow the Department to pursue several significant work plan items for Fiscal Year 2007-08.

The General Services Department faces several challenges and significant work plan items in the new fiscal year. The Department budget for fiscal year 2007-08 includes a staffing level of 127 full-time positions. The budget also includes minor increases to maintenance and operational budgets to account for increased costs and expanded responsibilities, including: contract rate increases, increased materials and resources costs, contract landscape and janitorial services for new parks and facilities, and contract tree maintenance in Newport Coast.

The budget will again include funding for summer beach restroom maintenance, for contract services to perform the required annual inspection and cleaning of the storm drain system in response to NPDES permit requirements, and to perform City-wide alley sweeping. Each of these services will be performed by private contractors.

GENERAL SERVICES (Continued)

Key Challenges

In Fiscal Year 2007-08, the Administration Division will take on several new projects and assignments. The division will work on the planning and development of a new hazardous waste Antifreeze, Batteries, Oils & Paints (ABOP) collection facility for residents at the City Corporate Yard. Also, with additional hazardous waste mandates scheduled to go into effect in 2008, the division will examine options for the disposal of certain hazardous waste materials like medical wastes and needles. Other support projects for the division include identifying grants that will allow General Services to develop new improvement projects and services for City parks and beaches.



The Field Maintenance Division will continue to work with the Public Works Department to refine the City's concrete, pavement, and sidewalk management plan. Better coordination among departments will help to streamline resources and alleviate any deferred maintenance to hardscape, sidewalks, and streets. This will prove to be crucial as the costs of materials and supplies continue to escalate. Also during the year, the division will evaluate the feasibility of

implementing a pilot program for installing rubber sidewalks in areas of the City. This program could lengthen the life of City walkways and help mitigate damage to the City's urban forest.



In Fiscal Year 2007-08, the Operations Support Division will be challenged with maintenance for several new facilities in the City, including the Back Bay Science Center, Newport Coast Community Center, and additional City Hall facilities. Additionally, the Division will work on changes to its service order request system for major repairs and upgrades to City facilities. Doing so will allow for more efficient design and replacement of equipment and furniture.

One major challenge that the Department will face in FY 07-08 is the development of a Compressed Natural Gas (CNG) fueling station at the Corporation Yard. This project will include several aspects, including retrofitting the City's motor fleet shop to accommodate CNG vehicles, designing and installing fueling infrastructure, and replacing the existing fleet with CNG vehicles. Equipment Maintenance Division staff will continue to work with the South Coast Air Quality Management District to identify grant funds and potential firms that design CNG fueling stations. Staff will also develop training programs and review vehicle replacement schedules to account for adding CNG vehicles to the City's rolling stock.

In the Parks/Trees Division, staff will assume maintenance efforts at several new locations. The division will also assist with the planning and development of several new parks, facilities, and medians in the City. In addition, the division will increase efforts on the Central Irrigation Controller conversion program. This system, which helps to reduce runoff and uses a "smart timer" control for irrigating landscaped areas of the City, will be increased with the goal of converting all City sites in the next five years.



Service Level Indicators

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Projected
Public Restrooms Serviced	56	56	56	56
City Restrooms Serviced	96	96	96	96
City Buildings Serviced	72	71	72	73
Sidewalk Repair (square feet)	50,000	55,000	55,000	50,000
Street Patching (tons of mix)	4,500	4,600	4,600	4,600
Curb & Gutter Replacement	3,000	3,200	3,200	4,500
Street Sweepings (miles)	56,648	56,077	55,491	56,000
Beach Cleaning (tons of refuse)	3,500	3,000	3,500	3,500
Regulatory Signs Posted	3,500	3,000	3,000	3,000
Street and Pavement Marking (feet)	175,000	980,000	1,000,000	780,000
Graffiti Incidents	2,600	2,300	2,200	2,500
Refuse (number of homes)	30,621	36,630	36,630	36,630
Refuse Collected (tons)	45,626	45,626	45,626	46,000
Number of Parks Maintained	48	54	54	56
Number of Landscaped Acres Maintained	14,550	560	560	607
Number of Trees Trimmed	4,100	14,890	15,550	15,550
Number of Vehicles Served	48	3,563	3,600	3,800

Performance Review

Allocation Plan

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Proposed
Salaries and Benefits	\$ 8,155,132	\$ 8,891,618	\$ 6,819,673	\$ 9,867,670
Maintenance and Operations	\$ 10,120,550	\$ 10,800,632	\$ 8,417,662	\$ 12,844,561
Capital Outlay	\$ 39,835	\$ 37,928	\$ 41,447	\$ 62,100
Internal Service Funds	\$ 3,565,439	\$ 4,228,344	\$ 2,970,761	\$ 3,954,068
Total *	\$ 21,880,956	\$ 23,958,522	\$ 18,249,543	\$ 26,728,399
Personnel	124	124	125	127

* Includes Equipment Maintenance and Replacement Fund Expenditures (Internal Service Fund)

LIBRARY SERVICES

To serve as the cultural, educational, and informational heart of the City through the Central Library and branch libraries

Department Overview

Library Services seeks to serve the Newport Beach community as its most valuable resource for educational, informational, and cultural enrichment. The Central Library and its three branches, Balboa, Corona del Mar and the Donna & John Crean Mariners Branch, offer a diverse range of informational resources, special programs for every age, and public services such as the Summer Reading Program and Adult Literacy.

The Newport Beach Public Library connects over 880,000 customers with its informational resources. Over 1.5 million items are checked out of the Library system each year and electronic resources are available 24/7. A City Council appointed Board of Library Trustees plays a critical role in the Library's service provision. The Arts and Cultural Services Division of the Library and the City Arts Commission provide a variety of arts programs and events for the community.

Making the Connection in 2006-2007

During the 2006-2007 year, the library focused on making new connections with library customers, both through the latest technology and personal communication.

Technological connections included updating the Library's website (www.newportbeachlibrary.org) with a fresh new look and a complete online calendar of events that includes search and email features that make it easy for library customers to stay connected to library events and news. E-commerce capabilities were introduced on the website, making it possible to pay fines and fees online. The addition of new databases, including Standard & Poor's NetAdvantage, and remote access for Morningstar, has resulted in database hits of over 15,000 per month. The newly added Overdrive

Downloadable Books connection has already resulted in downloads of more than 3,000 audio and e-books.

Computer training classes for adults were expanded and new classes for children and literacy students were introduced, using the high-tech training room at the Central Library.

To make a personal connection with new customers, the library launched the very successful Library-A-Go-Go program last summer. Loaded with Library information, sunscreen and paperback books, enthusiastic staff members took to the streets, parks and beaches to introduce Newport Beach residents and visitors to



Library A Go Go spreads the word about new services

Library resources and services. Outreach to local schools and PTA groups was increased with more frequent presentations by children’s and teen librarians. A Speakers Bureau will begin making presentations to community groups in the spring.

The community’s enthusiasm for the new Donna & John Crean Mariners Branch Library is evident with a 40% increase in library use. The Balboa and Corona del Mar Branches were painted and re-carpeted, and all libraries had their collections weeded and updated in 2006-2007.

The Central Library opened the Childrens’ Sun and Sea Discovery Garden outside the Children’s Room and children received their own special “Kid’s Card.”

Creating New Connections in 2007-2008

In 2007-2008, the library will continue to emphasize making the connection with customers by implementing several new programs and services including “Books by Mail” and the Speaker’s Bureau.

The Library will continue to keep pace with electronic technology by adding new databases and other services that will assist our customers in procuring business, educational and entertainment information.

Plans to relocate the Corona del Mar Branch to the new Oasis Center building and adding “Concierge Library Service” to the Newport Coast Community Center will make connecting to the library easier than ever for Newport Beach residents.



Opening the Children’s Sun and Sea Discovery Garden

City funds are augmented by support from the Friends of the Library, the Newport Beach Public Library Foundation, the Literacy Advisory Council, State and Federal grant funding, donations from local service clubs and in-kind services from businesses.

<p>Library Services Staffing: 40 plus 26.06 FTE \$5,797,658*</p>
<p>Information & Reference Services Youth Services Central Library and Branches Adult & Youth Programming Literacy Services Support for Board of Library Trustees Friends of the Library Newport Beach Public Library Foundation Literacy Advisory Council * includes Ackerman Fund</p>

<p>Arts & Cultural Services Staffing: 1 \$178,389</p>
<p>Three Annual Juried Art Shows City Hall & Library Galleries Arts & Cultural Grants Concerts in the Park Cultural Arts Programs Support for City Arts Commission Sister City Association</p>

LIBRARY SERVICES (Continued)

Department Services

The Library, under the direction of the Board of Library Trustees, provides comprehensive library services to the community.

The Library responds to customer demands for informational and recreational resources in print, electronic, and other non-print formats, and continues to have increased use of resources. A wide range of database and informational services are available from home through the Library's Web page, www.newportbeachlibrary.org. The Library provides a strong literacy program funded in part by donations and state grants.



Customers connect to Library resources 24/7

Adult Programs

The Library offers a diverse range of adult programs, monthly concerts, computer training workshops, special literary and book-related events, the annual Library Foundation sponsored Distinguished Speakers Lecture Series, and other cultural and intellectual activities. The Library also continues its outreach to seniors through Homebound Service and book clubs and other services at OASIS. The addition of downloadable books and a variety of business and educational databases are have made the library a 24/7 connection for the community.



Children's Summer Reading Program

Children and Teens

The annual Summer Reading Program, Christmas Puppet Show, Craft Club, children's book clubs, children's storytimes, afterschool activities, and teen art and poetry programs, computer training for kids, and other events for children and teens continue to draw an enthusiastic response and establish the Library as an important asset to lives of young people in this community. The Children's Sun and Sea Discovery Garden gives a new dimension to the Children's Room at the Central Library and offers the perfect spot

for enjoying summertime reading and outdoor storytimes. In addition, the Library has added several new databases, including Kids InfoBits and the Testing and Education Reference Center.

Arts and Culture

The Arts & Cultural Services Division supports the City Arts Commission and the Sister City Association. Art activities include exhibits at the Central Library and City Hall, juried art shows, Concerts in the Parks, and Shakespeare by the Sea. The City Arts Commission annually awards Cultural Arts Grants to local arts organizations for performances in schools, OASIS, and the Library. The division budget provides funds for the Sister City Association to support the student exchange program, international festivals and visits from Sister City delegations.



Shakespeare by the Sea

Performance Review

Allocation Plan

Service Indicators

	2004-2005	2005-2006	2006-2007	2007-2008
	Actual	Actual	Estimated	Projected
Library Circulation of Materials	1,475,025	1,443,078	1,652,500	1,750,000
Customers Served	885,852	874,854	953,468	985,000
Reference Questions Asked	168,999	170,972	187,776	195,000
Program Attendance	34,949	44,286	38,040	40,000
Remote Online Users	202,551	222,806	278,000	300,000
Juried Shows/Art Exhibits Attendance	1,850	1,850	1,924	2,000
Cultural Programs Attendance	7,952	7,952	8,634	9,000
Cultural Arts Grants Awards	\$40,000	\$40,000	\$40,000	\$40,000
Sister Cities Grant Awards	\$11,500	\$16,500	\$20,000	\$20,000

	2004-05	2005-06	2006-07	2007-08
	Actual	Actual	Estimated	Proposed
Salaries and Benefits	\$ 3,510,737	\$ 3,894,898	\$ 2,970,596	\$ 4,333,696
Maintenance and Operations	\$ 1,547,572	\$ 1,417,614	\$ 978,168	\$ 1,463,642
Capital Outlay	\$ 114,147	\$ 100,656	\$ 41,155	\$ 124,200
Total Expenditures	\$ 5,172,456	\$ 5,413,168	\$ 3,989,919	\$ 5,921,538
General Tax Revenue	\$ 3,953,017	\$ 4,461,725	\$ 3,352,937	\$ 5,531,413
Fees for Services	\$ 32,392	\$ 29,292	\$ 24,702	\$ 22,625
Intergovernmental Reimbursements	\$ 354,304	\$ 426,970	\$ 448,904	\$ 240,000
Other Miscellaneous Revenue	\$ 832,743	\$ 495,181	\$ 163,376	\$ 127,500
Total Revenue	\$ 5,172,456	\$ 5,413,168	\$ 3,989,919	\$ 5,921,538

RECREATION & SENIOR SERVICES

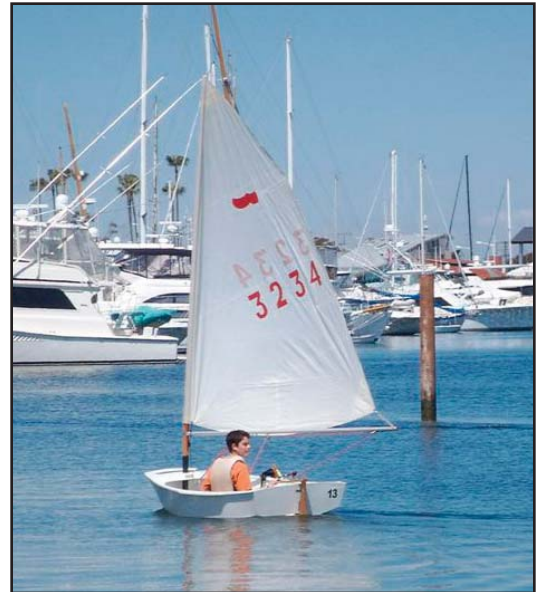
*To enhance the quality of life by providing diverse opportunities
in safe and well maintained facilities and parks.*

*We pledge to respond to community needs by creating quality educational,
recreational, cultural, and social programs for people of all ages.*

Department Overview

This past year brought new opportunities and programs, all of which helped to continue to promote a strong service oriented Recreation & Senior Services Department with a mission of enhancing the quality of life for the Newport Beach community. In addition, the Department took the lead to deliver the “Celebration of a Century” with a yearlong Centennial Celebration that culminated with a grand finale with music, food, activities, fireworks and fun for 30,000+ attendees at the Newport and Balboa piers!

The Department consists of three divisions: Administration, Recreation Services, and Senior Services. Under the guidance of the Department Director, and leadership of the Parks, Beaches & Recreation Commission, the Department is responsible for the creation, coordination, and implementation of recreational and social opportunities that serve a population ranging from infants to the very active retired community. In addition, this Department oversees the use of the City’s 66 parks and facilities. The backbone of the Department’s success is the numerous part-time staff who are out in the field serving the community as well as the hundreds of volunteers who join us on a daily basis to fulfill our mission. Their assistance to our full-time staff creates a solid foundation of a talented, skilled, and service oriented team.



While Recreation & Senior Services programs feature many direct, one-on-one services, technology continues to play an increasing role in our ability to provide a wider range of services. The quarterly *Newport Navigator* is mailed to each home in the City. The *Navigator* informs residents about each Division’s services and available fee-based activities, and is available online. Residents are able to access department program information through our website and register for classes and programs online. With each new season of classes and activities we continue to see a steady increase in online customers.

This past year, staff started the “Catch the Healthy Wave” program, which provides incentives to participants who participate in our City recreation programs through the *Newport Navigator* or OASIS Senior Center.

Primary Department Goals for 2007-08

- Participate in and support efforts for the design and development of Mariners Park, Marina Park, OASIS Senior Center and Coastal Peak Park
- Continue to provide programs through Catch the Healthy Wave, for both Recreation & Senior Services Divisions

Recreation Services

The Recreation Division offers a wide variety of programs for tots, youth, and adults. These programs include year-round sports leagues, seasonal swim lessons, and many lifelong learning and fitness classes. Over 150 contractors provide class instruction that is offered in the *Newport Navigator* (quarterly brochure) or umpires for adult sports leagues. Staff over the past few years have developed a program to audit and receive feedback from contracted instructors and officials who provide programs.

Trained staff work in the swim programs, after-school programs, youth recreational sports programs, and day camps.

The Division is staffed with eight full-time recreation professionals and up to 50 part-time staff such as recreation leaders, recreation clerks, lifeguards and swim instructors. The Division also includes three full-time field and building maintenance workers, and one full-time department assistant.

City operated youth sports programs attract over 1000 children annually and Youth Sport Organization Members such as youth soccer and baseball serve over 6000 youth annually.



The Division sponsored annual special events include a Surf Contest, Corona del Mar Scenic 5K, Sunday Fun-Day, Winter Wonderland, Rent-A-Santa, Special Olympics Basketball, Rose Parade Excursion, Arbor Day, Flashlight Egg Hunt, and the Independence Day Parade and Picnic. Over the past three years, many of these programs have tripled in size from enhancing the event and better marketing to residents.

Picnic areas, fields, and meeting rooms are available for reservation and staff processes over 1000 requests each year. There are over 30 playgrounds throughout the City for children ages 2-12. In the coming year this

Division continues the refurbishment of some park sites with new playground equipment and play surfaces. The playground maintenance/inspector staff will concentrate on making the existing playgrounds look better and last longer. The Division is also the coordinator of Special Event Permits for the City of Newport Beach and processes over 320 permits per year for events large and small.

Recreation Services Goals

- Implement the Marketing Plan for the Department
- Continue to raise the quality of customer service, instruction and safety in programs which includes more participate evaluations, audits of contracted instructors/vendors and facility audits
- Raise the level of service expectations in contracted officials and instructors through audits and trainings
- Provide additional Park Patrol services to meet the increased demand
- Open and manage a successful balance of programming and operations at the Newport Coast Community Center

RECREATION & SENIOR SERVICES (Continued)

Senior Services

The Senior Services Division is responsible for the operation of the OASIS Senior Center as well as numerous activities that reach out to our senior population. The goal of this Division is to provide older adults with activities and services that enrich their lives, prevent isolation, and provide them with a purpose in life.

The Senior Services Division provides a variety of services which enhance the lives of seniors creating positive and successful aging experiences. The Division accomplishes this by providing programs and activities which address the older adults' evolving needs. Staff stays current on programming activities that are most helpful to the senior population by assessing needs and welcoming senior participation in program ideas. The Senior Services Division has been successful at meeting the challenge of the ever-changing needs of older adults and developed activities that are intellectually stimulating and physically active.



This coming year the focus of this Division will turn toward the future. The Division has completed a large scale needs assessment which had a very high rate of return. We were happy to see that many community members took the time to fill out the survey. This information will assist us as we look to begin the process of replacing the senior center with a new facility designed to meet the growing and changing needs of our senior population. We are working with an architect to provide us with the first step toward building a state-of-the-art senior facility that will address the needs of both the current and future senior populations. In addition, we will focus on establishing a Health and Wellness program that will motivate seniors to take control of their health. Seniors will be able to participate in activities that will educate them as well as provide incentives to exercise.

OASIS enjoys the assistance of over 100 volunteers who work daily in the various programs and activities. These dedicated individuals provide an invaluable service to the Center and log an average 1200 hours of service a month while at the same time they are providing purpose to their lives.

The OASIS Senior Center is fortunate to have a dedicated non-profit group, the Friends of OASIS who support the efforts at the Center to offset the costs to provide services. The Friends continue to provide a \$50,000 donation to the City for the transportation program as well as with many entertainment expenses.

The staff at OASIS have relationships with many community organizations in order to enhance and expand the services provided to the community, which include: South County Senior Services, OC Department of Health, Coastline Community College, University of California Irvine, Hoag Hospital, Braille, Health Insurance Counseling and Advocacy Program, and OCTA.

Senior Services Goals

- Work with the Architect to insure that the design of a new facility is in accordance with the needs and desires of the currently users and staff
- Work with the newly formed Newport Beach OASIS Senior Center Building Fund Committee as they begin a capital campaign to raise money to rebuild the Senior Center

**Recreation & Senior Services Department
Administration**

Staffing: 3 plus .5 FTE
\$520,849

Front Office and Public Counter Services

Fiscal Services

Web Site and Online Registration

Parks, Beaches & Recreation Commission Support

Recreation Services

Staffing: 14 plus 20.15 FTE
\$4,521,962

Youth Programs/Sports
Aquatic Programs
Adult Sports
Special Events
City Youth Council
Playground/Park Development
Special Event Permits
Youth Sports Commission
Field/Facility Maintenance
Facility Management/Reservations
Contract Classes
Marketing and PR
Park Patrol
Newport Coast Community Center

Senior Services

Staffing: 10 plus .13 FTE
\$1,017,406

Recreational Programs
Educational Classes
Congregate and Home Delivered Meals
Transportation Program
Outreach Services
Family Support
Special Events
Information and Referral
Facility Management/Reservations

Service Indicators

	2004-2005 Actual	2005-2006 Actual	2006-2007 Estimated	2007-2008 Projected
Recreation Services				
Special Event Permits	321	320	320	320
Facility Rentals	1,128	1,158	1,200	1,400
Recreation Program Attendance	319,546	324,127	325,000	335,000
Co-Sponsored Youth Organizations	194,749	194,722	201,258	202,000
Senior Services				
Programs/Classes	79,683	77,118	80,000	80,000
Human Services	21,450	18,399	20,000	20,000
Transportation Services	11,936	12,628	13,000	13,000

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Proposed
Salaries and Benefits	\$ 1,978,082	\$ 2,431,541	\$ 1,904,436	\$ 3,018,749
Maintenance and Operations	\$ 1,896,206	\$ 2,071,165	\$ 1,771,974	\$ 2,963,719
Capital Outlay	\$ 21,245	\$ 26,711	\$ 32,489	\$ 77,750
Total Expenditures	\$ 3,895,533	\$ 4,529,417	\$ 3,708,899	\$ 6,060,218
General Tax Revenue	\$ 1,911,588	\$ 2,381,378	\$ 1,456,286	\$ 3,110,418
Fees for Services	\$ 1,910,945	\$ 2,066,315	\$ 2,165,753	\$ 2,860,800
Other Miscellaneous Revenue	\$ 73,000	\$ 81,724	\$ 86,860	\$ 89,000
Total Revenue	\$ 3,895,533	\$ 4,529,417	\$ 3,708,899	\$ 6,060,218

PUBLIC WORKS

*To provide quality, cost effective public works
and services to the community of
Newport Beach*



Department Overview

The Department of Public Works is responsible for the planning, design, and construction of the City's roads, intersections, bridges, sidewalks, storm drains, traffic signals, water quality and environmental improvements, piers, water and sewer systems, street lighting, public building facilities, and parks. The Department also protects public property from unpermitted encroachments, ensures the safe construction of private parties working in the public right-of-way, and reviews plans for residential and commercial development as they relate to the public right of way. Public Works adds quality and safety to our lives through the use of engineered controls and measures such as traffic signals, signage, and pavement maintenance.



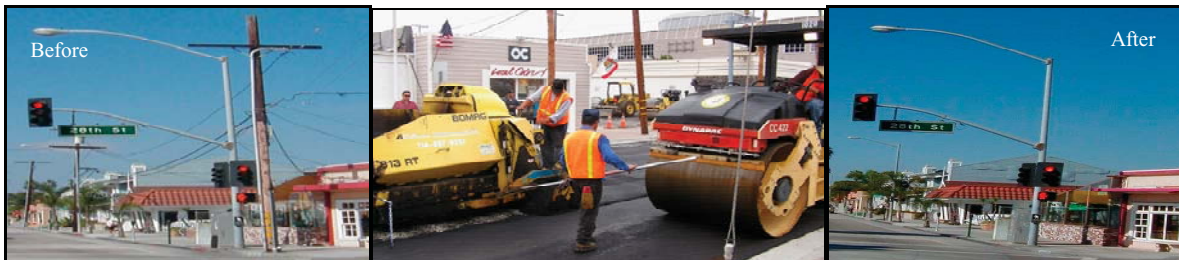
Corona del Mar State Beach Improvements



Santa Ana Heights Fire Station

Primary Goals

- Meet the current and future needs of infrastructure, services, and resources for citizens and visitors
- Coordinate the implementation of Capital Improvement Program projects
- Design, construct and sustain the City’s infrastructure in an efficient and innovative manner, including replacement, renovation and improvements to roads, bridges, intersections, traffic signals, street lighting, water and sewer systems, water quality measures, neighborhood traffic calming structures, parks, docks, piers, beach facilities, and public buildings
- Provide outstanding customer service and engineering expertise to the public, other departments and outside agencies
- Promote team spirit and pride through our actions and activities
- Encourage continuous employee assessment and development programs
- Facilitate the flow of information by maintaining a records management system



Utilities Undergrounding

The Organization

Public Works is comprised of three divisions: Administration, Engineering Services, and Transportation and Development Services. The Public Works Team currently consists of 33 dedicated full time employees. To accomplish the department’s mission, staff manages a combination of contract employees, consultants and contractors to deliver projects and services.

Administration
Staffing: 6 plus .72 FTE
\$782,413

Engineering Services
Staffing: 17 plus 1.26 FTE
\$2,418,096

Transportation & Development Services
Staffing: 10 plus .85 FTE
\$1,881,874

PUBLIC WORKS (Continued)



Central Library Sun and Sea Discovery Garden

Administration provides financial and support management services for the Public Works Department. Areas of responsibility include:

- Strategic planning and organizational development
- Budget development and administration
- Capital Improvement Program plan preparation and management
- Contracts administration
- Customer service and communications
- Permit issuance for encroachments and temporary street closures
- Centralized clerical services and process controls
- Personnel administration, training, and payroll processing
- Records management
- Geographical information systems



Newport Boulevard Bioswale



Citywide Paving and Parking Lot Rehabilitation

Engineering Services serves as the City's infrastructure resource to the public and other city departments using engineering expertise to solve problems and improve the quality of life for the community. Areas of responsibility include:

- Preparation and maintenance of short and long term master plans for critical public infrastructure systems including water, sewer, storm drain, water quality, pavement management, and building facilities
- Capital Improvement Program implementation including planning, design, construction, and inspection of the City's major capital improvement projects
- Processing feasibility and environmental studies and various permit applications
- Preparation of plans, specifications, cost estimates, and as-built drawings
- Right-of-way acquisition
- Utilities coordination
- Preparation of local, State and Federal funding applications and grant administration
- Public outreach through community workshops and publications

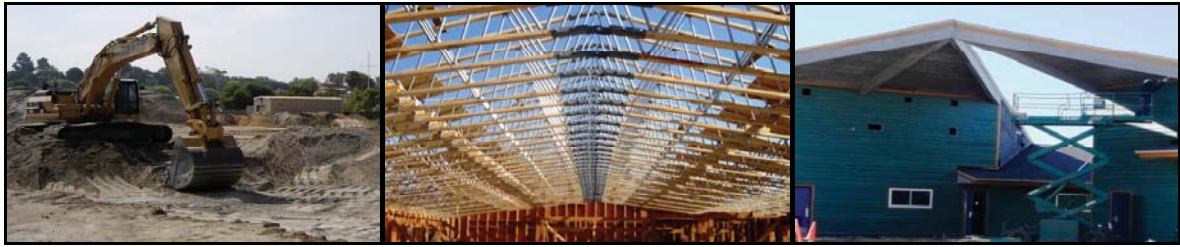


Ocean Pier Repair

Transportation and Development Services serves as the development and traffic engineering resource to promote a safe and efficient transportation system and to help property owners, developers, utilities, other city departments, and public agencies accomplish their goals while protecting the integrity and quality of the public right-of-way for current constituents and future generations. Areas of responsibility include:

- Traffic engineering, transportation planning, and coordination of traffic studies
- Traffic signal systems operations
- Neighborhood traffic calming programs
- Subdivision engineering, surveying, and mapping
- Plan check and coordination services for residential and commercial building, land use and development activities and projects
- Assessment district administration for utilities undergrounding
- Permitting for encroachments in the public right-of-way

PUBLIC WORKS (Continued)



Back Bay Science Center

Recent Accomplishments

One of the key functions of the Public Works Department is the design and construction of the City's major capital projects. In fiscal year 2006-2007, several important projects were completed including:

- Corona del Mar State Beach Improvements
- Balboa Village Phase III
- Balboa Island Bayfront Repair
- Bay Avenue Area Drainage Improvements
- Irvine Terrace, Ocean Vista and Orange Street Water Main and Valve Replacement
- Fire Station No. 6 Gender Modifications
- Police Department Office Modifications
- Police Facility Perimeter Security Fencing
- Corporation Yard Building W
- Ocean Pier Repairs and Inspection
- Jamboree Road Rehabilitation – University Drive to South Bristol Street
- Jamboree Road Rehabilitation – San Joaquin Hills Road to Ford Road
- Bristol Street North Street Rehabilitation – Campus Drive to Jamboree Road
- Placentia Avenue and Hospital Road Street Rehabilitation
- Newport Shores Alley Replacement
- Sidewalk, Curb and Gutter Replacement Program (2005-2006)
- Citywide Slurry Seal Program (2005-2006)
- Malibu Circle Slope Repair
- Newport Boulevard Right Turn Lane at Hospital Road
- Newport Boulevard Bioswale

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Proposed
Salaries and Benefits	\$ 3,345,553	\$ 3,723,059	\$ 2,627,161	\$ 4,180,147
Maintenance and Operations	\$ 692,495	\$ 813,474	\$ 608,419	\$ 871,136
Capital Outlay	\$ 18,875	\$ 24,647	\$ 6,455	\$ 31,100
Total	\$ 4,056,923	\$ 4,561,180	\$ 3,242,035	\$ 5,082,383

Key Challenges in FY 2007-2008

The City continues to undertake an ambitious and wide-ranging Capital Improvement Program (CIP). From a service standpoint, Newport Beach poses extraordinary opportunities and challenges. The City's development is mostly built-out and established. We are charged with maintaining and protecting unique features that come with a harbor, miles of beaches, and the Back Bay. We are also subject to greater environmental scrutiny and regulatory processes to maneuver. Newport Beach is not a "grid" city like many of our neighbors. With limited alternative routes, construction on main arterials must be done with care and sensitivity to the traveling public. Numerous projects take place in tight quarters, such as Balboa Peninsula, Balboa Island, Lido Isle, and Old Town Corona del Mar. Minimizing disruptions to the public requires special attention to phasing and peak hour restrictions that can slow project completions and add complications and costs. Work schedules are further complicated by seasonal restrictions dictated by environmental regulations, community special events, and weather cycles. Funding availability and grant requirements also impact the timing of work plans. Our City's responsiveness to problems and quick action to resolve them is a highly prized attribute of the organization. However, this activity allows project scopes to grow and new projects are regularly added into the current program. Our projects delivery team of engineers, support staff, and consultants are tasked with managing greater workloads while maintaining high quality standards. Creative project management solutions and alternative project delivery methods will play a key role in our future success.

Traffic signal system improvements continue to have a high priority. This year, we are embarking on a multi-year program to modernize and update the City's traffic signal system. The resultant updated system will allow the flexibility to implement real time adjustability and improve the efficiency of our system during peak hours, special events, construction activities, and emergencies.

Training, retaining, and selecting top team members, both in-house and from the private sector, is becoming increasingly more difficult and more important as Baby Boomers retire in greater numbers and the pool of experienced professionals continues to shrink. Creative and innovative recruiting along with competitive compensation and benefit packages will be required to attract and retain high quality professionals in this highly competitive market.

The CIP planned for FY 2007-08 is described in more detail in the section of this document entitled Capital Improvements.



Public Works - Serving You 24/7

UTILITIES DEPARTMENT

Mission
Statement

*To provide quality, cost effective utility
services to the community of
Newport Beach*

Primary
Goals

Annual Department Goals

- Meet the current and future needs for infrastructure, services, and resources for citizens and visitors.
- Provide the City a safe and reliable water supply.
- Operate and maintain the City's water, wastewater, oil and gas, and street lighting systems in an efficient and innovative manner.
- Provide outstanding customer service and education to the public, other departments, and agencies.
- Promote team spirit and pride through our actions and activities.
- Encourage continuous employee assessment and development programs.
- Facilitate the flow of information by maintaining a records management system.



Department Organization

The Utilities Department is responsible for providing water service, wastewater collection, oil and gas production, electrical services, and street lights to the citizens of Newport Beach. Water is delivered to the tap, wastewater is transported for treatment, and streets and beach parking lots are made safer with lighting. The Utilities Department has four divisions: Electrical, Oil & Gas, Water, and Wastewater.



The **Electrical Division** staff of five field personnel is responsible for the maintenance and operation of electrical services at all City facilities. These facilities include park sites, community buildings, water and sewer pump stations, oil wells, emergency generators, and over 6,000 street and parking lot lights. Staff responds to over 1,500 service requests each year.

The **Oil & Gas Division** provides contract administration and oversight for a small oil tank farm consisting of 16 wells in West Newport Beach. The operation and maintenance of the oil operation is out sourced. Natural gas is a by-product of the oil production and is sold to Hoag Hospital.



The **Water Division**, which consists of four sections (Water Maintenance and Repair, Water Meters, Water Production, and Water Quality), delivers water from both local and imported sources. A staff of 28 field personnel operates the pumps, reservoirs, and pressure reducing stations, performs water testing, provides meter reading services, responds to customer service requests, and performs year-round preventative maintenance of 2,725 fire hydrants, 7,813 shut-off valves, over 215 miles of transmission mains, and 82 miles of distribution mains.

The **Wastewater Division** staff of 13 field personnel operate 20 pump stations and maintains over 200 miles of wastewater collection system that transports the City's wastewater to the County's trunk system for treatment at the Huntington Beach plant. The Wastewater Division's closed circuit television unit is working towards video taping the 200 miles of sewer main by 2008 to meet the General Waste Discharge Requirements for the State of California.



UTILITIES DEPARTMENT (Continued)

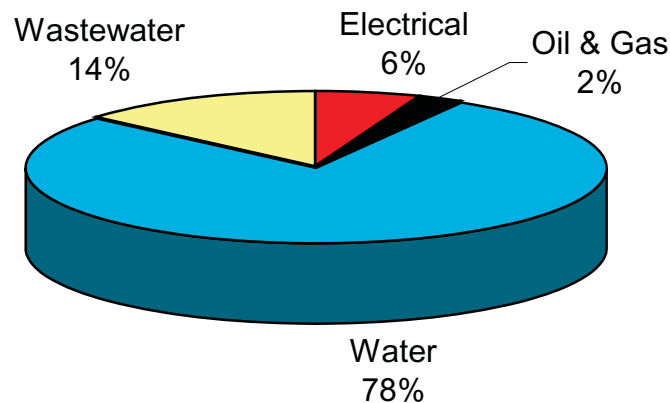
Performance Review

Service Indicators	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Projected
Electrical				
Miles Street Light Cable Installed/Pulled	5	5	6	4
Street Light Devices Replaced	893	906	850	900
Emergency Responses	70	63	60	50
Number of Service Calls	1,017	1,052	1,100	1,128
Oil & Gas				
Barrels of Oil Produced	33,154	34,255	34,593	34,300
MCF* of Gas Produced	16,112	13,897	13,728	13,800
Barrels of Water Injected	404,274	396,527	359,246	396,500
Water				
Acre Feet** Water Purchased/Produced	17,640	17,557	17,610	18,000
Acre Feet of Reclaimed Water Used	251	249	250	254
Number of Fire Hydrants Serviced	592	783	1,053	1,200
Number of Water Meters Read	78,143	78,206	78,213	78,162
Number of Main Breaks	7	8	5	5
Number of Service Calls	526	513	496	530
Wastewater				
Miles of Pipe Cleaned	205	335	226	241
Miles of Pipe Video Taped	7	11	12	13
Number of Dig Outs	77	76	80	84
Number of Service Calls	410	485	452	449

*MCF = one thousand cubic feet

**Acre Foot = 325,850 gallons

Budget FY07-08



Electrical Staffing: 4 plus .5 FTE \$1,215,730	Oil & Gas Staffing: 0 \$601,259
City Facilities Electrical Service Recreational Field Lighting Parking Lot Lighting Street Lighting	Oil Production Gas Production Oil & Gas Remediation
Water Staffing: 36.25 plus 6.25 FTE \$15,096,940	Wastewater Staffing: 13.25 plus 1.75 FTE \$2,639,889
Water Production Water Quality Systems Services Meter Reading Reclaimed Water Customer Service & Education Water Maintenance & Repair Underground Service Locating	Sewer Main Cleaning Sewer Mainline Repair Pump Station Maintenance Sewer Lateral/Cleanout Replacement

	2004-05 Actual	2005-06 Actual	2006-07 Estimated	2007-08 Proposed
Salaries and Benefits	\$ 4,867,761	\$ 5,120,703	\$ 3,878,962	\$ 5,579,606
Maintenance and Operations	\$ 12,858,497	\$ 12,303,939	\$ 9,369,779	\$ 13,903,562
Capital Outlays	\$ 85,166	\$ 32,984	\$ 24,924	\$ 70,650
CIP	\$ 7,703,436	\$ 10,948,359	\$ 3,848,000	\$ 3,023,000
Total Expenditures	<u>\$ 25,514,860</u>	<u>\$ 28,405,985</u>	<u>\$ 17,121,665</u>	<u>\$ 22,576,818</u>
Charges for Services	\$ 19,559,777	\$ 19,432,000	\$ 20,550,000	\$ 21,671,415
Intergovernmental	\$ 788,188	\$ 805,393	\$ -	\$ -
Use of Money & Property	\$ 363,206	\$ 472,538	\$ 790,000	\$ 829,500
Sales of Oil & Gas	\$ 1,301,532	\$ 1,355,000	\$ 1,055,000	\$ 1,306,650
Other Revenue	\$ 125,905	\$ 18,000	\$ 23,000	\$ 19,184
Transfer (To) From Reserves	\$ 3,376,253	\$ 6,323,054	\$ (5,296,335)	\$ (1,249,931)
Total Revenue	<u>\$ 25,514,860</u>	<u>\$ 28,405,985</u>	<u>\$ 17,121,665</u>	<u>\$ 22,576,818</u>

CITY OF NEWPORT BEACH
2007-2008 RESOURCE ALLOCATION PLAN

DESCRIPTION OF INTERNAL SERVICE FUNDS

The City continues to provide for the financing of certain functions through the use of Internal Service Funds (ISF). The purpose of these funds is to facilitate the management of some types of expenditures on a centralized, as opposed to decentralized (by department) basis, without losing the visibility of each Department's share of the overall cost. Each Department has been required to budget for the cost of these functions at a pre-determined rate, as opposed to attempting to project actual costs at the Department level, which would be required if there was no ISF mechanism. Funds are then collected from each Department at the pre-determined rate by the Internal Service Fund during the course of the year. All actual expenditures for the function in question (for the City as a whole) are then made from the Internal Service Fund. The City has established four Internal Service Funds – Insurance Reserve Fund, Retiree Medical Insurance Fund, Compensated Absences Fund, and Equipment Maintenance and Replacement Fund.

Insurance Reserve Fund. The Insurance Reserve Fund is used to pay all Workers' Compensation and General Liability expenses of the City. This includes insurance premiums, consultant fees, medical expenses, contract attorney costs, payments for judgments and settlements, and all other expenses connected with this function. The amounts paid into this Fund by the individual Departments vary. Each Department's budget base for Liability expenses was established by examining a ten-year history of claims and determining each Department's appropriate share, based on the nature of the claims themselves. That share was then used to establish each Department's percentage of the funding being set aside in the Insurance Reserve Fund for anticipated Liability expenses this year, and to address at least part of any reserve deficiencies. This year's contribution by departments, which constitutes revenue to the ISF, is projected to be \$3,328,697. This should constitute sufficient resources to fund short term expenditures and accumulate resources to pay long-term claims.

Each Department's share of the City's anticipated Workers' Compensation expenses was determined by an analysis of claims history by labor class in Newport Beach as compared to the same information for the State as a whole. Based on this data, appropriate rates were established for each labor class in the City. These rates were then used to determine the budget base needed in each Department to accumulate the total anticipated Insurance Reserve Fund requirement to pay all Workers' Compensation claims and related expenses for this budget year (approximately \$2,496,241). Similar to the situation with Liability, there is an accumulated deficit for Workers' Compensation. Therefore \$3,199,421, or a projected excess of \$703,180 is being collected to cover the deficit.

Retiree Medical Insurance Fund. In January 2006, the City has implemented a new defined contribution Retiree Medical Insurance Fund instead of the prior defined benefit program which will ultimately reduce the City's long-term liability for this program. The transition to the new program will take an estimated twenty years or more to fully implement, but our operating expenses will eventually be capped as we will only need to fund contributions for current employees and the City's unfunded liability will be zero. The contribution amount is based on a formula currently provided for in the Memorandum of Understanding between the City and the employees.

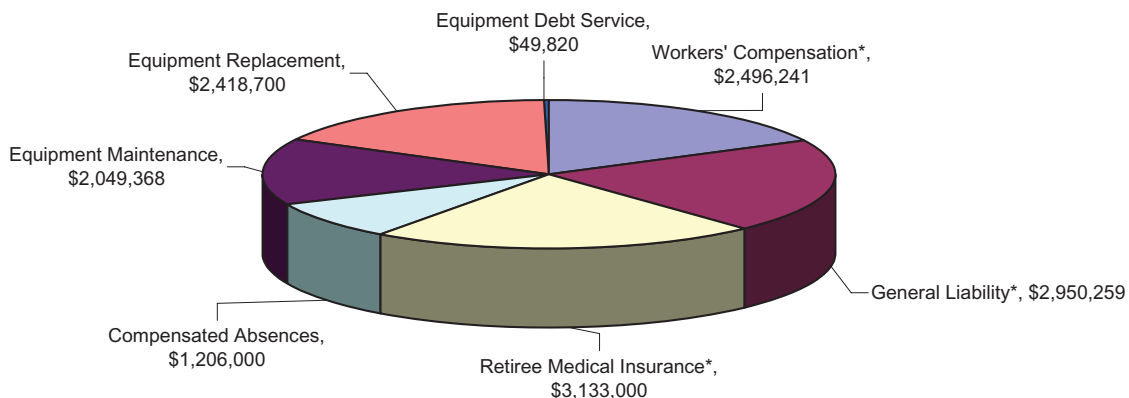
Compensated Absences Fund. Departmental payments into the Compensated Absences Internal Service Fund are based on a percentage of salary. That percentage is set at a level which will accumulate a sufficient monetary base within the fund to accommodate current year expenses. This year's contribution level is 3.5% of salary resulting in a budgeted amount of \$2,104,243. Any amounts collected in excess of the annual expense, reduce the long-term unfunded liability in this fund.

Equipment Maintenance and Replacement Fund. The Equipment Maintenance and Replacement Fund is used to provide funding for the maintenance of almost all of the City's fleet of Rolling Equipment, and to accumulate funds for the eventual replacement of that equipment. Based on the City's maintenance experience, anticipated equipment life span, and projected replacement costs, rates were established for each class and type of equipment. These rates function much like vehicle rental rates from the perspective of the using Departments.

Funds for replacement and for maintenance remain segregated. Maintenance funds are used to fully fund the General Services Equipment Maintenance Division, including the Auto Parts Warehouse, and certain other General Services Department overhead expenses which are directly attributable to rolling equipment maintenance, but are contained in the budgets of other divisions. Each Department Budget unit's share of this cost, based on the equipment it has in service, is contained on line 8022 of the respective M&O budget sheets. The Police Department has their own equipment replacement and maintenance program including a Police Fleet Maintenance Division.

Recommendations for rolling stock replacement are made by each Department to the City Manager through the General Services Director. The City Manager then includes his final recommendation for Equipment Replacement action to the City Council as part of the annual budget submission. Money accumulated in the Equipment Replacement portion of this Fund can only be used for equipment replacement unless specifically reprogrammed by the City anager. Each Department Budget unit's "contributions" to this fund, based on the equipment it has in service, can be found on line 8024 of the respective M&O budget sheets.

For Fiscal Year 2007-2008, City expenditures from Internal Service Funds are projected as follows:



*Includes legal services, insurance premiums, contract administration, claims & settlements, and payments to providers of medical service.

CITY OF NEWPORT BEACH
2007-2008 RESOURCE ALLOCATION PLAN

DEBT SERVICE & OTHER ACTIVITIES

Most of the City budget is dedicated to a one-year operating plan for each department. However, certain budgetary components do not fit within this definition.

Capital Improvement Projects (CIP) and debt service expenditures benefit more than one operating period. Since CIPs may have significant useful lives, expenditures are deemed to benefit both the current and future operating periods while debt service expenditures are deemed to benefit current, future, and past operating periods. An entire section of the budget document is dedicated to CIP expenditures; however Debt Service expenditures can be adequately covered within this section.

Some proposed expenditures in the budget only benefit the current operating period but do not readily fit within the operating plan of any one department and/or its funding source cannot be relied upon to fund routine department operations. For lack of a more descriptive term, we often refer to non-departmental expenditures of this nature as other activities.

Debt Service Expenditures

Since the City does not issue debt instruments to finance operating activities, Debt Service Expenditures are the result of capital financing ventures. There are two principal reasons why debt instruments are issued. The first circumstance is when the cash flow for the construction or purchase of a long-term asset would cause a significant strain on the City's cash flow and the asset to be financed will benefit many service periods. In no instance would the City select the duration of a given debt instrument to extend beyond the expected life of the asset financed. The second scenario arises when an asset to be purchased may not cause a significant cash flow strain but it would be economically advantageous to finance the asset rather than to purchase it outright (e.g. occasionally the City can borrow money at a lower rate than its investment portfolio is earning).

Library Certificates of Participation (COPs)

In 1992 the City issued \$7.5 million in COPs to finance the construction of the Central Library. The issue was subsequently refinanced in 1998 to reduce total debt service payments that resulted in an economic gain of \$495,745. The Refunded Certificates Principal payments range from \$245,000 to \$535,000 from June 1, 2000 through June 1, 2019, at an interest rate ranging from 3.60 percent to 5.15 percent and are serviced by the General Fund. The Certificates outstanding at June 30, 2007, amounted to \$4,980,000.

Boating and Waterways Loan

The City also has a loan from the California Department of Boating and Waterways for the purchase and rehabilitation of the Balboa Yacht Basin. The original loan in 1987 was for \$3,300,000. This loan is payable in thirty annual installments of \$237,062 at a 4.50 percent rate of interest, which

began on August 1, 1987. The outstanding balance at June 30, 2007, amounted to \$1,469,202. The loan is funded entirely by Tide and Submerged Lands Fund revenue sources.

Office Equipment Leases

The City occasionally enters into lease-purchase agreements to finance the acquisition of copiers, computers, telecommunications or other office equipment and upgrades. The terms of the leases normally range from three to five years and are typically payable monthly. Currently there are no outstanding leases of this nature. Debt of this nature is serviced by whichever fund derives the benefit of the equipment. In most circumstances the General Fund enjoys the benefit of office equipment purchases of this type and would therefore service this debt.

Rolling Stock Leases

Most City vehicle purchases do present a cash flow challenge and are therefore purchased outright except when financially advantageous conditions exist. However, the City does own and operate some rolling stock including fire engines, ladder trucks, vactor trucks and other heavy equipment that can be several hundred thousand dollars per vehicle. These items are periodically financed through lease-purchase agreements. The interest rates on these obligations range from 3.04 percent to 5.21 percent. Rolling stock capital lease obligations at June 30, 2007, amounted to \$49,490. Since the City accounts for all rolling stock activity in a central cost center (internal service fund), debt service payments for all rolling stock related debt is serviced from this fund. However, this central cost center does distribute all vehicle related costs (including acquisition and financing costs) in the form of a maintenance and replacement charge to the organizations that benefit from the vehicle.

Water Revenue Bonds

In 1995, the City issued \$17,100,000 of water revenue bonds to finance the construction and acquisition of groundwater storage and transmission facilities. This debt was refinanced July 1, 1998 for an economic gain of \$418,469. The bonds are secured by a pledge of net revenues of the Water Fund. The bonds bear interest ranging from 3.60 percent to 4.50 percent. Semi-annual debt service payments are payable on February 1 and August 1 (totaling \$1.6 million per annum). At June 30, 2007, the outstanding balance was \$4,540,000.

Newport Coast Special Assessment District Relief

Because the Newport Coast area was not incorporated into the City limits when much of the public improvements that serve this area were constructed, the improvements were financed by private property special assessments. Had the Newport Coast area been incorporated within the City limits at the time the improvements were constructed, the City would have likely participated in funding much of the public improvements. Before this area was officially annexed into the City limits, the City entered into a pre-annexation agreement with the Newport Coast Committee of 2000 where the City agreed to reimburse residents and thereby reduce the cost of certain private property special assessments. As a part of the pre-annexation agreement, the Irvine Ranch Water District (IRWD) transferred \$25 million to the City in exchange for the right to continue to provide water utility service to this area. With this \$25 million from IRWD, the City will reduce the special assessment levies by \$1.2 million a year for 15 years and dedicate \$7 million toward the construction of a community center. At June 30, 2007, \$12,000,000 was outstanding.

Community Development Block Grant (CDBG) Loan

The CDBG program is a federal revenue source that is restricted to programs and projects that benefit low and moderate income areas. In August of 2002, the City was granted a \$2.4 million loan that is secured and will be repaid by future block grant allocations to partially finance the Balboa Village improvements. Commonly known as a "Section 108 Loan," this loan will be repaid over 20 years in \$215,000 installments. As of June 30, 2007, the outstanding balance of this loan was \$2,134,000.

Debt Service Estimates 2007-2008

	Original Issuance	Balance 07/01/2007	Additions	Deletions	Balance 06/30/2008	2008		Principal Paid to Date	Year of Final Payment
						Total Payments	Interest		
Rolling Stock Leases	1,700,049	49,490	-	(49,490)	-	49,820	330	1,700,049	2008
Water Revenue Refunding Bonds	14,225,000	4,540,000	-	(1,445,000)	3,095,000	1,613,833	168,833	11,130,000	2009
Balboa Marina Loan	3,457,930	1,469,202	-	(170,948)	1,298,254	237,062	66,114	2,159,676	2016
Pre-Annexation Agreement	18,000,000	12,000,000	-	(1,200,000)	10,800,000	1,200,000	-	7,200,000	2017
Refunding Library COP	7,330,000	4,980,000	-	(315,000)	4,665,000	564,480	249,480	2,665,000	2019
Section 108 Loan	2,400,000	2,134,000	-	(78,000)	2,056,000	193,482	115,482	344,000	2024
Total Debt Service	47,112,979	25,172,692	-	(3,258,438)	21,914,254	3,858,677	600,239	25,198,725	

Other Activities

Asset Forfeiture Funds

Funds derived from the City's participatory share of State and Federal assets seizures are accounted for separately from other funds due to special restrictions placed on the use of these proceeds. These funds can only be used to supplement but not subsidize law enforcement activities. Therefore, this funding source is not used to fund regular departmental operations.

Supplemental Law Enforcement Service Fund (SLESF)

State Assembly Bill 3229 provides funds to the City to be used exclusively for front line law enforcement services. The Bill stipulates that SLES funds are to be segregated and used to increase policing efforts and not be used to supplement departmental operations.

Air Quality Management District Funds (AQMD)

State Assembly Bill 2766 provides cities with a modest annual budget to encourage the reduction of air emissions. The City uses its AQMD funds to support the employee rideshare program and to subsidize the cost of the electric vehicles used to supply City services.

Ackerman Donation

The City is the beneficiary of lease proceeds of certain commercial property donated by the Carl Ackerman Family Trust. The property was given to the City subject to a December 18, 1992, 15-year lease. The lease gave the lessee an option to purchase the property and sets out in detail the method to exercise the option, the option price, and conditions of the purchase. On August 8, 2003, the lessee exercised the option to purchase in the amount of \$1,940,000. As a condition of the lease, 60 percent of the proceeds were paid to the University of California, Irvine Foundation and the City is required to create a permanent endowment with the remaining 40 percent. Interest earned from the endowment will be accounted for and used to purchase high tech library equipment and for a City administered scholarship program.

Environmental Liability Fund

As part of the City's franchise agreements with commercial solid waste haulers, the City collects 5.50 percent of their gross receipts that are set aside to defray the cost of any legal or environmental costs that might arise connected with the collecting, hauling and dumping of waste originating within the City. These funds are used to provide the City with environmental liability insurance and to conduct waste related environmental assessments.

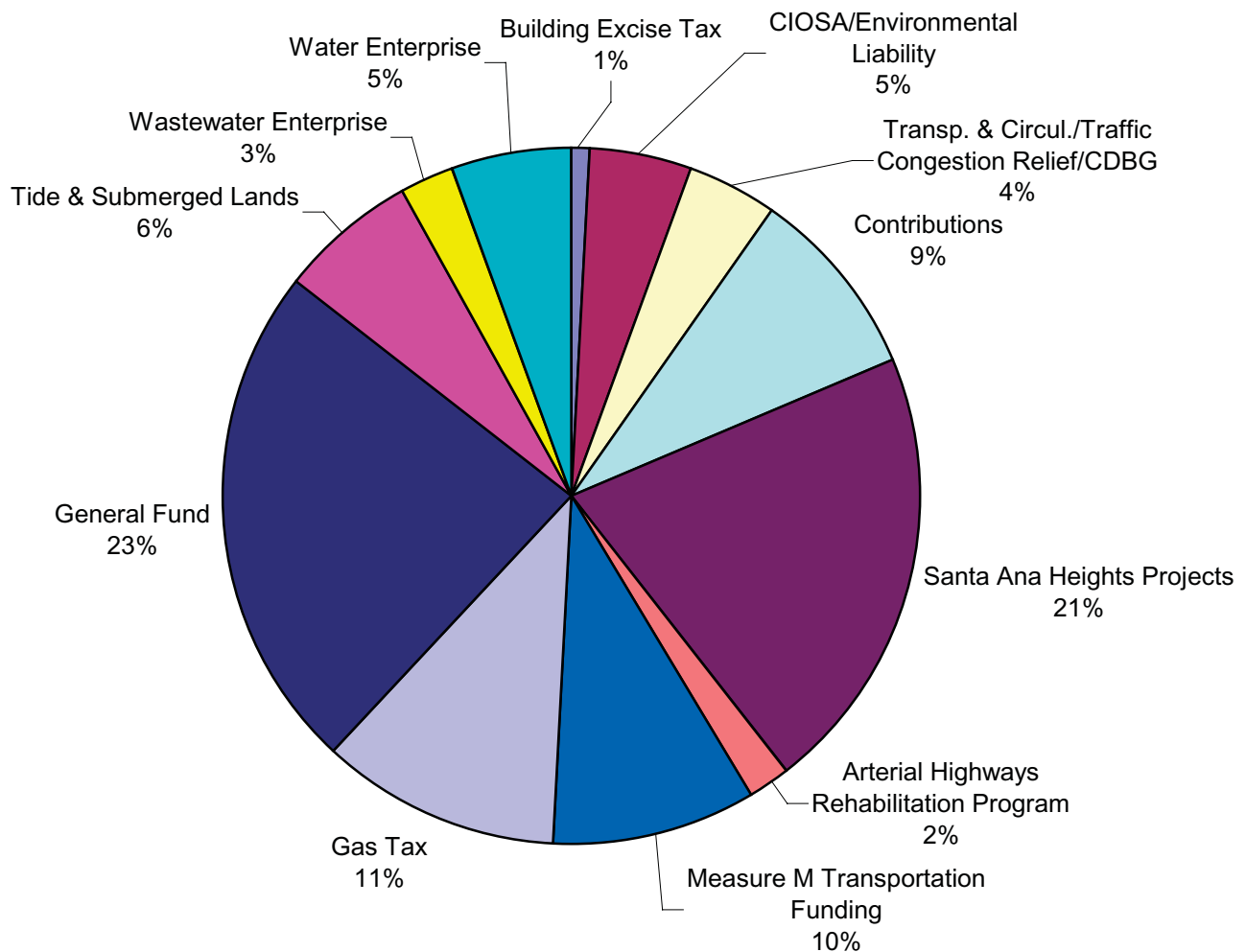


CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS

The City of Newport Beach Capital Improvement Program (CIP) serves as a plan for the provision of public improvements, special projects, on-going maintenance programs, and the implementation of the City's master plans. Projects in the CIP include improvements and major maintenance on arterial highways, local streets, and alleys; storm drain and water quality improvements; bay, pier, and beach improvements; park and facility improvements; water and wastewater system improvements; transportation safety and traffic signal improvements; and planning programs and studies.

**2007-2008 Capital Improvement Projects by Fund
(Includes Rebudgets)**



The FY 2007-08 CIP consists of over 100 projects representing over \$22 million in new appropriations and nearly \$14 million in rebudgeted funds. The CIP was developed with input from all City departments, citizen input, and City Council members who identified needs in their

respective areas. The individual project requests were compiled by each department and then submitted to the Public Works Department in early 2007. The projects were prioritized and summarized by available funds and reviewed by the Public Works Director. A Public Works CIP review team then met with representatives from each Department to discuss funding priorities. The projects recommended for approval were presented to the City Manager in March and were again discussed with each Department Director. The process was finalized in April and packaged for distribution to the City Council.

Funding of the capital projects, including preliminary estimates for projects to be rebudgeted, is derived from multiple funding sources, and is shown in the chart on the preceding page. Projects are organized by primary function or benefit into one of the following categories: Facilities; Streets and Drainage; Traffic; Parks, Harbors and Beaches; Water Quality and Environmental; Water; Wastewater; and Miscellaneous.

Highlights of the new appropriations are presented by category as follows:

Facilities

Projects organized under Facilities include construction, rehabilitation and repair of City buildings and facilities. Major projects within this category approximate \$2 million and include:

- Repairs and improvements to various public safety facilities, including the police facility, fire stations, and lifeguard headquarters (\$1,405,400)
- Repairs and improvements to other City facilities, including the Corporation Yard, Oasis Senior Center, Community Youth Center, and Little Corona restroom (\$467,350)
- Other capital purchases, including Central Library generator, Central Library HVAC, and City Hall carpeting (\$105,300)

Streets and Drainage

Projects organized under Streets and Drainage include construction, rehabilitation and repair of City roads, medians, bridges, sidewalks, streetlights, storm drains, tide structures, and parking lots. Projects within this category exceed \$12 million and major highlights include:

- Street and alley construction and rehabilitation, including Superior Avenue Rehabilitation, Eastbluff Drive Rehabilitation, Corona del Mar south of Coast Highway Rehabilitation, Birch Street Rehabilitation, Balboa Village Alley Replacement, and Irvine Avenue Realignment (\$6,126,700)
- Bridge improvements (\$1,997,200)
- Sidewalk improvements (\$1,455,100)

- Slurry seal projects (\$1,301,000)
- Storm drains and tide structures (\$635,000)
- Median and landscape improvements (\$605,000)
- Streetlighting (\$240,000)

Traffic

Projects organized under Traffic include traffic signal system maintenance and improvements, neighborhood traffic management, pedestrian improvements, and signage. Projects within this category approximate \$4 million and major highlights include:

- Traffic signal modernization (\$1,841,285)
- Other traffic signal installation, maintenance, and improvements (\$636,000)
- Signs (\$630,000)
- Pedestrian improvements (\$549,100)
- Neighborhood traffic management and studies (\$295,000)

Parks, Harbors and Beaches

Projects organized under Parks, Harbors, and Beaches include improvements or repairs to the City's parks, harbors, docks, wharfs, piers, and beaches. Projects within this category exceed \$5 million and major highlights include:

- Park improvements, including Mariners Park improvements, Sunset Ridge Park design, Newport Center Park, Santa Ana Heights passive park, park lighting at Buffalo Hills, Bonita Creek and San Miguel parks, tennis court fencing and playground equipment (\$3,416,500)
- Harbor improvements, including public docks access improvements, Rhine Wharf Channel Public Dock, and Rhine Wharf Channel repair (\$945,000)
- Beach improvements, including sand replenishment, eelgrass mitigation, beach observation camera system, and pier repairs (\$977,000)

Water Quality and Environmental

Projects organized under Water Quality and Environmental include studies, improvements, and programs that benefit the City's natural resources. Projects within this category approximate \$2.5 million and major highlights include:

- Semeniuk Slough dredging (\$650,000)
- Newport Terrace Landfill gas remediation (\$635,000)

- Runoff reduction and irrigation improvements (\$570,000)
- Buck Gully Maintenance Road and Wetlands project (\$250,000)
- Various studies, assessments, and restoration projects (\$370,000)

Water and Wastewater

Projects organized under Water and Wastewater are funded from respective service charges and are used for the rehabilitation and expansion of these services. Projects within these categories exceed \$2.5 million and major highlights include:

- Water transmission and water main improvements (\$1,464,000)
- Water well rehabilitation (\$150,000)
- Sewer force main and lateral improvements (\$650,000)
- Sewer pump station improvements (\$334,000)

Miscellaneous

Projects organized under Miscellaneous are ones that do not fit into any other category and include capital purchases and special projects. Projects within these categories exceed \$8.6 million and highlights include:

- Santa Ana Heights utility undergrounding (\$7,411,200)
- Oil Field improvements (\$450,000)
- Computer related purchases (\$240,000)
- Equipment purchases (\$244,000)
- Slope repairs and project management (\$270,000)

Conclusion

The City continues to undertake an ambitious and wide-ranging capital improvement program. The projects, both significant and diverse, will serve all areas of the City. It is the City's policy to appropriate sufficient funds for all projects scheduled during the coming budget year. Many of the projects require multiple year terms to complete them. In such cases, only the current phase identified to be completed during FY 2007-2008 is budgeted and appropriated. Subsequent phases of a project and projects requiring more time or funding are reconsidered at the appropriate time.



APPENDICES

TIDE & SUBMERGED LAND FUND

Estimated Funds Available

Estimated Beginning Fund Balance	\$0	
Estimated Revenue for 2007-2008 - All Sources	\$9,490,963	
Total Funds Available		\$9,490,963

Estimated Chargeable Expenditures

Fire	\$11,196,350 *	
General Services	2,779,891 *	
Police	7,629,721 *	
Public Works	512,066 *	
Administrative Services	83,536 *	
City Manager - Water Quality & Code Enforcement	397,995	
City Manager - Harbor Resources	1,930,168	
Utilities - Oil & Gas	601,259	
Capital Projects	2,354,000	
Debt Services Expenditures	237,062	
Total of All Proposed Expenditures		\$27,722,048

Estimated Ending Fund Balance

(\$18,231,085)

* Although these expenditures are considered Tideland expenditures, they post to the General Fund. The amounts are calculated as a percentage of the total department budget, based on the 1995-95 Full Cost Allocation Plan.

Capital Asset Schedule

as of June 30, 2006

Description	Year of Acquisition	Historical Cost
Administration and Services		
City Hall Complex	1930	\$2,347,623
Corporate Yard - General Services	1955	5,712,756
Safety		
Fire Station #1 - Balboa	1962	81,615
Fire Station #2 - Headquarters	1966	94,419
Fire Station #3 - Fashion Island	1971	888,366
Fire Station #4 - Balboa Island	1994	1,420,602
Fire Station #5 - Corona del Mar	1950	237,135
Fire Station #6 - Irvine Avenue	1957	136,009
Fire Station #7 - Santa Ana Heights	2005	4,402,221
Fire Station #8 - Newport Coast	2002	1,816,350
Lifeguard Headquarters	1989	556,483
Police Station	1973	3,057,796
Libraries		
Balboa	1906	187,110
Central	1992	15,268,031
Corona del Mar	1958	217,182
Mariners	1957	803,791
Harbors, Beaches, and Recreation		
15th Street Restrooms	1956	532,415
19th Street Restrooms	1940	2,000
38th Street Park	1925	212,988
Arroyo Park	2003	17,578,871
Back Bay View Park	2006	2,650,000
Beach and Harbor Right of Way	various	52,705,580
Balboa Community Center	1956	156,246
Balboa Island Park	1973	162,397
Balboa Beach - Parking Lots and Booth	1986	1,619,492
Balboa Pier	1940	3,613,669
Balboa Pier - Concession	1982	n/a *
Balboa Pier Restroom	1957	245,489
Balboa Theater	1998	480,000
Balboa Yacht Basin - Apartments/Garages/Parking	1960	150,110
Balboa Yacht Basin - Galley Café	1988	44,000
Balboa Yacht Basin - Headquarters/Restrooms	1984	158,746
Balboa Yacht Basin - Land	1930	1,276,308

Capital Asset Schedule

as of June 30, 2006 (continued)

Description	Year of Acquisition	Historical Cost
Balboa Yacht Basin - Piers and Docks	1984	3,079,395
Bayside Park	1926	490,865
Bayview Park	1985	3,917,422
Begonia Park	1926	373,609
Big Canyon - Land	1959	9,696,650
Bob Henry Park	1997	4,480,305
Bolsa Park	1994	99,474
Bonita Canyon Sports Park	2002	3,726,351
Bonita Creek Park	2002	6,978,802
Boy Scout House	1960	2,000
Boys and Girls Club	1971	n/a *
Buck Gully Restrooms	1956	13,442
Buffalo Hills Park	1970	4,371,663
Bulkheads	various	2,357,628
Canyon & Harbor Watch Park	2006	850,000
Castaways Park	1997	803,052
CDM Beach - Concession	1970	30,994
CDM Beach - Parking Lot and Booth	1957	1,141,741
CDM Beach - Recreation	2003	180,896
CDM Beach - Restrooms	1956	54,883
Channel Place Park	1958	504,202
Cliff Drive Park	1917	1,026,091
Cliff Drive View Park	1975	147,668
Eastbluff Park	1965	557,822
Ensign Park	1973	804,466
Ferry Landing Restrooms	1962	28,917
Galaxy Park	1962	255,697
Gateway Park	1999	1,014,620
Girl Scout House	1956	24,665
Grant Howald Park	1964	278,216
Grant Howald Park - Community Youth Center	1988	867,529
Harbor View Nature Park	1974	4,167,542
Inspiration Point	1953	16,000
Irvine Terrace Park	1960	1,703,456
Jasmine Creek Park	1959	48,961
Kings Road Park	1974	210,482
L Street Park	1924	41,948
Las Arenas Park	1956	133,438
Lido Park	1973	94,219

Capital Asset Schedule

as of June 30, 2006 (continued)

Description	Year of Acquisition	Historical Cost
Lookout Point	1953	16,000
Los Trancos Canyon View Park	2006	1,280,000
Marine Education Facility	2003	511,687
M Street Park	1930	12,763
Mariners Park	1957	1,557,747
Newport Aquatic Center	1987	n/a *
Newport Coast Community Center	2006	5,340,000
Newport Island Park	1938	110,256
Newport Pier	1940	3,503,624
Newport Pier - Concession	1990	n/a *
Newport Pier - Restrooms	1989	305,188
Newport Shores Park	1906	57,258
Newport Theater Arts	1973	359,002
Newport Village Park	2006	2,290,000
Oasis Senior Center	1975	2,022,104
Ocean Front Parking Lot	1919	302,258
Old School Park	1917	24,829
Peninsula Park	1929	609,228
Rhine Wharf Park	1974	52,620
San Joaquin Hills Park	1965	1,162,974
San Miguel Park	1983	2,796,293
Spyglass Hill Park	1970	499,239
Spyglass Reservoir Park	1970	312,377
Sunset Park	1970	311,435
Sunset Ridge Park	2006	175,000
Veterans Park	1994	52,795
Washington Street Restrooms	1935	320,946
West Jetty View Park	1917	8,276
West Newport Community Center	1988	1,200,000
West Newport Park	1972	5,529,229
Westcliff Park	1962	729,952
Other		
26th Street Parking Lot	1965	85,848
30th Street Parking Lot	1987	1,039,429
Balboa Bay Club - Land	1918	1,049,252
Bayside and Marguerite Parking Lot	1950	83,494
Beacon Bay - Land	1919	750,103

Capital Asset Schedule

as of June 30, 2006 (continued)

Description	Year of Acquisition	Historical Cost
Buck Gully	2006	16,180,000
Cannery Village Parking Lot	1989	1,146,634
John Wayne Gulch	2006	3,920,000
Mariners Mile Parking Lot	1976	642,081
Palm Street Parking Lot	1906	55,721
Vacant Land behind Central Library	1992	6,448,622
Equipment		
Rolling Equipment	various	19,875,810
Other Equipment	various	3,367,574
Infrastructure		
Road System	various	1,770,111,286
Storm Drain System	various	55,354,550
Bicycle Paths	various	42,975,504
Oil Wells	various	1,145,496
Walls	various	1,860,103
Water System		
Utility Yard	1987	2,222,243
Water Reducers	various	82,079
Water Meters	various	1,184,301
Water Lines/Mains	various	67,193,016
Fire Hydrants	various	341,839
Reservoirs:		
Big Canyon	1959	24,086,298
Spyglass	1972	418,244
16th Street	1996	3,800,000
Capitalized Interest	1995	1,034,462
Pump Stations	various	8,125,224
Wells	1996	3,417,000
Equipment	various	148,191
Sewer System		
Sewer Lines/Mains	various	32,578,920
Pump Stations	various	8,457,500
TOTAL		\$2,284,024,815

* Leasehold improvements made by Lessee not valued.

EQUIPMENT MAINTENANCE AND REPLACEMENT FUND

Schedule of Rolling Equipment Replacement (FY 2007-08)

Public Safety Departments

Police Department

Support Services Truck	\$	21,000
Patrol/Traffic Sedans (5)	\$	168,000
Patrol Station Wagons (2)	\$	83,000
Patrol Quads-Beach 4WD (4)	\$	12,000
Police Motorcycles (2)	\$	38,000
Traffic Truck (2)	\$	42,000
Traffic Sedan	\$	26,000
Sub Total	\$	390,000

Fire Department

Fire Pumper	\$	335,000
Medic Van	\$	135,000
Lifeguard Jeep (2)	\$	53,000
Station Wagons, 4x4 (3)	\$	107,000
Sub Total	\$	630,000

Other Departments

Administrative Services

Truck, 1/2 ton With Liftgate	\$	25,000
Station Wagon	\$	18,000
Sub Total	\$	43,000

Library

Station Wagon	\$	18,000
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Public Works Department

Station Wagon (3)	\$	72,000
Station Wagon, 4x4	\$	25,000

Sub Total \$ 97,000

Building Department

Station Wagon (2)	\$	38,000
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General Services Department

Trailer, Wheeled Pump	\$	50,000
Beach Tractor	\$	70,000
Message Board	\$	25,000
Truck, 1 Ton Stakebed (3)	\$	99,000
Truck, 1/2 Ton (3)	\$	66,000
Sub Total	\$	310,000

Recreation/Senior Services Department

Bus, 19 Passenger	\$	75,000
Van, 1/2 Ton	\$	22,000

Sub Total \$ 97,000

Utilities Department

Truck, 1 1/2 Ton Bucket	\$	65,000
Trucks, 1 1/2 Ton Flatbed (2)	\$	84,000
Truck, 1 1/2 Ton Utility Body with Crane	\$	50,000
Truck, 1 Ton Utility Body	\$	38,000
Van, 1 Ton	\$	35,000

Sub Total \$ 272,000

PUBLIC SAFETY TOTALS \$ 1,020,000

OTHER DEPARTMENT TOTALS \$ 875,000

GRAND TOTAL ALL DEPARTMENTS \$ 1,895,000

*City of Newport Beach
Preliminary
Resource Allocation Plan
2007-2008*

Rolling Stock in Service

*Information will be updated
and provided in the final
Resource Allocation Plan*

SEVEN YEAR COMPARISON OF FULL-TIME POSITIONS

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
GENERAL CITY GOVERNMENT							
City Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00
City Manager	11.00	11.00	17.00	19.00	20.00	20.00	22.00
Human Resources	9.00	9.00	9.00	9.00	9.00	9.00	9.00
City Attorney	5.00	5.00	5.00	5.00	5.00	5.00	3.00
Administrative Services	49.00	49.00	50.00	50.00	53.00	56.00	56.00
Total	77.00	77.00	84.00	86.00	90.00	93.00	93.00
PUBLIC SAFETY							
Police	238.00	237.00	237.00	237.00	238.00	240.00	240.00
Fire	146.00	147.00	148.00	148.00	150.00	153.00	153.00
Total	384.00	384.00	385.00	385.00	388.00	393.00	393.00
COMMUNITY DEVELOPMENT							
Planning	18.00	20.00	18.00	18.00	19.00	23.00	23.00
Building	26.00	26.00	28.00	29.00	29.00	29.00	29.00
Total	44.00	46.00	46.00	47.00	48.00	52.00	52.00
PUBLIC WORKS							
Public Works	33.00	33.00	33.00	33.00	34.00	33.00	33.00
Utilities - Electrical	5.00	5.00	5.00	5.00	5.00	5.00	5.00
General Services	110.00	111.00	109.00	109.00	109.00	110.00	112.00
General Services - Equipment ISF	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total	163.00	164.00	162.00	162.00	163.00	163.00	165.00
COMMUNITY SERVICES							
Library	36.00	37.00	36.00	36.00	39.00	40.00	40.00
Arts & Cultural	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Recreation	11.00	11.00	11.00	11.00	12.00	12.00	14.00
Senior Services	7.00	7.00	7.00	10.00	10.00	10.00	10.00
Recreation & Senior Services Admin	0.00	2.00	2.00	2.00	3.00	3.00	3.00
Total	57.00	58.00	57.00	60.00	65.00	66.00	68.00
BALBOA YACHT BASIN	1.00	1.00	1.00	1.00	0.00	0.00	0.00
WATER ENTERPRISE FUND	33.00	33.00	33.00	34.00	34.00	34.00	35.00
SEWER ENTERPRISE FUND	12.00	12.00	13.00	13.00	13.00	13.00	13.00
TOTAL FULL-TIME POSITIONS	771.00	775.00	781.00	788.00	801.00	814.00	819.00

Glossary

Fund Descriptions

Ackerman Donation Fund - Used to account for the disbursement of funds received from the Ackerman Trust. Such funds must be used for library and scholarship purposes.

Air Quality Management District (AQMD) Fund - Used to account for revenues received from the South Coast Air Quality Management District restricted for the use of reducing air pollution.

Arterial Highway Rehabilitation Program (AHRP) Fund – Used to account for federal funds available through the Federal Highway Administration Arterial Highway Rehabilitation Program to share the cost of rehabilitating certain arterial roadways in the City.

Assessment District Fund - Used to account for the receipt and expenditure of funds received from 1911 Act and 1915 Act Assessment Districts for capital improvement projects.

Asset Forfeiture Fund - Established to account for revenues resulting from the seizure of assets in conjunction with criminal cases (primarily drug trafficking). The City's policy is that all such funds be used for enhancement of law enforcement programs.

Back Bay Science Center Fund – Used to account for revenues and expenditures related to construction of the Back Bay Science Center.

Bonita Canyon Development Fund – Used to account for the receipt and expenditure of funds for the Bonita Canyon Public Facilities Agreement. The improvements include certain public parks and recreation facilities, and street improvements and facilities.

Building Excise Tax Fund - Used to account for revenues received from builders or developers on building or remodeling projects within the City. Expenditures from this fund are used exclusively for public safety, libraries, parks, beaches, or recreational activities.

CIOSA Construction Fund - Used to account for the receipt and expenditure of funds for the Circulation Improvement and Open Space Agreement (CIOSA). The improvements include street and frontage improvements.

Circulation and Transportation Fund - Used to account for fair share revenues collected from developers and restricted for capital improvement projects meeting the circulation element of the City's General Plan.

Civic Center/Fire Station Construction Fund - Used to account for activities related to the possible re-building or relocation of the existing City Hall complex including the Fire Station.

Community Development Block Grant (CDBG) Fund - Used to account for revenues and expenditures related to the City's Community Development Block Grant program. These funds are received from the Federal Department of Housing and Urban Development and must be expended exclusively on programs for low or moderate income individuals or families.

Compensated Absence Fund – Used to account for the City's accumulated liability for compensated absences.

Contributions Fund - Used to account for revenues received from other government agencies or private developers and expended for specific projects.

Environmental Liability Fund - Used to account for solid waste fees restricted for mitigation of future environmental liability relating to the handling of solid waste.

Equipment Fund - Used to account for the cost of maintaining and replacing the City's rolling stock fleet and the rental of the fleet to operating departments.

Fire Station #7 Fund – Used to account for receipt of revenue intended to fund the construction of a new Fire Station 7 located in the Santa Ana Heights area of the City.

General Fund - Used to account for fiscal resources, which are: a) dedicated to the general government operations of the City, and b) not required to be accounted for in another fund.

Insurance Reserve Fund - Used to account for the City's self-insured general liability and workers' compensation program.

Justice Assistance Grant (JAG) Fund – Formerly called the Local Law Enforcement Block Grant Fund. Used to account for federal support of law enforcement activities.

Library Debt Service Fund – Used to account for the debt service transactions related to the Certificates of Participation used to finance the construction of the Central Library.

Mariners Library Fund – Used to account for receipt of revenue intended to fund the construction of a new Mariners Branch Library.

Measure M Fund – Used to construct transportation improvement and traffic congestion relief projects. Funding is one percent of retail transaction and use tax.

Miscellaneous Santa Ana Heights Projects – Used to account for revenue and expenditures related to miscellaneous projects in Santa Ana Heights.

Newport Annexation Fund – Used to account for receipt of revenue from the Irvine Ranch Water District intended to repay Newport Coast property owners for a portion of assessment district costs, and for construction of a community center in Newport Coast.

Newport Bay Dredging Fund – Used to account for the receipt of permanent endowments intended to fund the ongoing cost of maintaining and dredging of the Upper Newport Bay.

Oil Spill Remediation Fund – Used to account for the receipt of the settlement proceeds from the American Trader Company. These funds must be used on projects affecting the areas damaged by the spill.

Retiree Insurance Fund – Used to account for the cost of providing post-employment health care benefit.

Santa Ana Heights Community Center Fund – Used to account for revenues and expenditures associated with the development and construction of a community center in Santa Ana Heights.

State Gas Tax Fund - Accounts for all State Gas Tax related revenues and expenditures, including street repair, construction, and maintenance. State law requires that these funds be used exclusively for maintenance of the street and highway system.

Supplemental Law Enforcement Services Fund (SLESF) – Used to account for revenues received from the County to be used exclusively for front-line law enforcement activities.

Tide and Submerged Land Fund - Used to account for all revenues and expenditures related to the operation of the City's tidelands, including beaches and marinas.

Traffic Congestion Relief Fund – Used to account for all revenues received from the State Treasury as per Assembly Bill 2928. These funds must be used only for maintenance or reconstruction costs on public streets or roads.

Wastewater Enterprise Fund - Used to account for the activities associated with providing sewer services by the City to its users.

Water Enterprise Fund - Used to account for the activities associated with the transmission and distribution of potable water by the City to its users.

Accounting Terms

Accrual Basis - The basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent. The accrual basis of accounting is used to account for all proprietary (enterprise and internal service funds) fund types.

Activity - Departmental efforts that contribute to the achievement of a specific set of program objectives; the smallest unit of the program budget.

Appropriation - A legal authorization to incur obligations and to make expenditures for specific purposes.

Assessed Valuation - The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.

Authorized Positions - Employee positions, which are authorized in the adopted budget, to be filled during the year.

Available (Undesignated) Fund Balance - This refers to the funds remaining from the prior year that are available for appropriation and expenditure in the current year.

Bond Refinancing - The payoff and reissuance of bonds, to obtain better interest rates and/or bond conditions.

Bonds - A form of borrowing (debt financing) which reflects a written promise from the City to repay a sum of money on a specific date at a specified interest rate.

Budget - A plan of financial activity for a specified period of time indicating all planned revenues and expenses for the budget period.

Budget Calendar - The schedule of key dates that a government follows in the preparation and adoption of the budget.

Budgetary Basis - This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

Budgetary Control - The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Capital Budget - The appropriation of bonds or operating revenue for improvements to facilities, and other infrastructure.

Capital Improvements - Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Improvements Program (CIP) - A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

Capital Outlay - Fixed assets which have a value of \$500 or more and have a useful economic lifetime of more than one year; or, assets of any value if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.

Capital Project - Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.

Capital Reserve - An account used to segregate a portion of the government's equity to be used for future capital program expenditures. The amount of capital reserve is roughly equal to the government's annual equipment depreciation and an amount identified as being needed for future capital acquisition.

Cash Basis - A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Certificate of Participation - A debt issue similar to issuing bonds, but less restrictive.

Charges for Services - Those charges levied to individuals or organizations for the use or consumption of services provided by the City.

Consumer Price Index (CPI) - A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Debt Service - The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

Deficit - The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Department - The basic organizational unit of government which is functionally unique in its delivery of services.

Depreciation - Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Development Fees - Those fees and charges generated by building, development and growth in a community. Included are building and street permits, development review fees, and zoning, platting and subdivision fees.

Disbursement - The expenditure of moneys from an account.

Distinguished Budget Presentation Awards Program - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Employee (or Fringe) Benefits - Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included is the government's share of costs for various pensions, medical and life insurance plans, etc.

Encumbrance - The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Enterprise Fund - Used to account for City operations that are financed and operated in a manner similar to private business enterprises. The objective of segregating activities of this type is to identify the costs of providing the services, and to finance them through user charges.

Expenditure - The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss.

Expense - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest, or other charges.

Fiscal Policy - A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs, and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year - A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Newport Beach's fiscal year is July 1 through June 30.

Fixed Assets - Assets that are intended to continue to be held or used long-term, such as land, buildings, machinery, furniture, and other equipment. Fixed assets are also called capital assets.

Full-time Equivalent Position (FTE) - A part-time position converted to the decimal equivalent of a full-time position based on 2080 hours per year. For example, a part-time fiscal clerk working 20 hours per week would be the equivalent to .5 of a full-time position.

Function - A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).

Fund - A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

Fund Balance - The excess of the assets of a fund over its liabilities, reserves, and carryover.

GAAP - Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Obligation (G.O.) Bond - This type of bond is backed by the full faith, credit, and taxing power of the government.

Goal - A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless.

Governmental Accounting Standards Board (GASB) – The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

Grants - A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

Indirect Cost - A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Infrastructure - The physical assets of a government (e.g., streets, water, sewer, public buildings, and parks).

Intergovernmental Revenue - Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Charges - The charges to user departments for internal services provided by another government agency, such as equipment maintenance and replacement charges, or insurance funded from a central pool.

Lapsing Appropriation - An appropriation made for a certain period of time, generally for the budget year. At the end of the specified period any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law.

Levy - To impose taxes for the support of government activities.

Line-item Budget – A budget prepared along departmental lines that focuses on what is to be bought.

Long-term Debt – Debt with a maturity of more than one year after the date of issuance.

Maintenance and Operations – Expendable materials and operating supplies necessary to conduct departmental operations.

Modified Accrual Basis – The basis of accounting in which revenues are recognized when they become both “measurable” and “available” to finance expenditures or the current period. All governmental and fiduciary fund types are accounted for using the modified accrual basis of accounting.

Net Budget – The legally adopted budget less all interfund transfers and interdepartmental charges.

Object of Expenditure – An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, asphalt, etc.

Obligations – Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Expenses – The cost for personnel, materials, and equipment required for a department to function.

Operating Revenue – Funds that the government receives as income to pay for on-going operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Performance Budget – A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.

Prior-Year Encumbrances – Obligations from previous fiscal years in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Program – A group of related activities performed by one or more organizational unit for the purpose of accomplishing a function for which the government is responsible.

Program Budget – A budget that allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments.

Program Performance Budget – A method of budgeting whereby the services provided to the residents are broken down in identifiable service programs or performance units. A unit can be a department, a division, or a workgroup. Each program has an identifiable service or output and objectives to effectively provide the service. The effectiveness and efficiency of providing the service by the program is measured by performance indicators.

Program Revenue (Income) - Revenues earned by a program, including fees for services, license and permit fees, and fines.

Purpose - A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

Reserve - An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources - Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Revenue - Sources of income financing the operations of government.

Revenue Bond - A bond that is backed only by the revenues from a specific enterprise or project, such as a hospital or toll road.

Secured Property Tax – A tax levied on both real and personal property according to the property's valuation and the tax rate.

Service Indicators - Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Source of Revenue - Revenues are classified according to their source or point of origin.

Supplemental Appropriation - An additional appropriation made by the governing body after the budget year has started.

Tax Levy - The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfers In/Out - Amounts transferred from one fund to finance the services for the recipient fund.

Transient Occupancy Tax – A tax paid to the City for short-term lodging/residency within the City limits. Short-term is defined as 30 days or less.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

Unsecured Property Tax – The property tax on unsecured property such as business inventory or moveable equipment.

User Charges - The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Working Capital - Excess of readily available assets over current liabilities. Or cash on hand equivalents which may be used to satisfy cash flow needs.

