

**RESOLUTION NO. 2015-5**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF NEWPORT BEACH, CALIFORNIA AMENDING THE  
MEMBERSHIP, DUTIES AND RESPONSIBILITIES OF THE  
FINANCE COMMITTEE**

**WHEREAS**, the City Council of the City of Newport Beach ("City") has a long and established history of being good guardians and stewards of the public's money;

**WHEREAS**, appropriations, expenditures and other budgetary matters are a primary concern of the City Council;

**WHEREAS**, the City Council has adopted various policies regarding financial matters;

**WHEREAS**, the City Council has adopted policies regarding income property and annexations, which may have an impact on the City's finances;

**WHEREAS**, on December 12, 1994, the City Council adopted Resolution No. 94-110 establishing the Finance Committee, whose duties and responsibilities have been amended throughout the years to further protect and safe guard the public's money;

**WHEREAS**, the existing Finance Committee is composed of three City Council Members charged with a variety of tasks, including, but not limited to: reviewing and monitoring events and issues which may affect the financial status of the City; and making recommendations to the City Council regarding amendments to financial and budgetary policies; and

**WHEREAS**, the City desires to amend the Finance Committee to: (1) add citizen members; (2) describe the qualifications of the citizen members; (3) clarify the budget review role of the Finance Committee; (4) set a meeting schedule; (5) create an appointment process to the Finance Committee; and (6) generally maintain the duties assigned to the existing Finance Committee.

**NOW, THEREFORE**, the City Council of the City of Newport Beach resolves as follows:

**Section 1:** The City Council hereby amends the Finance Committee as described in Attachment "A," which is incorporated herein by reference.

**Section 2:** The City Council hereby repeals all resolutions related to the Finance Committee that are in conflict with this resolution.

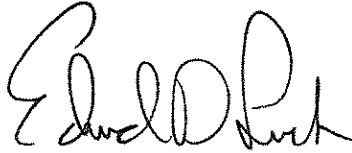
**Section 3:** If any section, subsection, sentence, clause or phrase of this resolution is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this resolution. The City Council hereby declares that it would have passed this resolution and each section, subsection, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

**Section 4:** The recitals provided in this resolution are true and correct and are incorporated into the substantive portion of this resolution.

**Section 5:** The City Council find the adoption of this resolution and the amendment of the Finance Committee is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

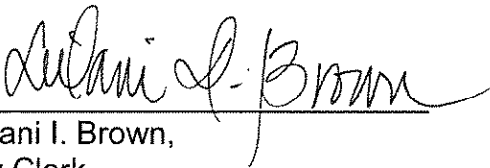
**Section 6:** This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

ADOPTED this 13<sup>th</sup> day of January, 2015.

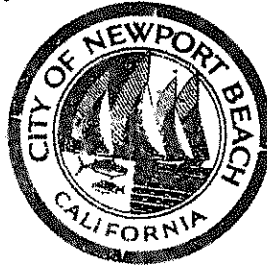


Edward D. Selich  
Mayor

ATTEST:



Leilani I. Brown,  
City Clerk



Attachment A: Amended Finance Committee Description

## **FINANCE COMMITTEE**

**AUTHORIZATION:** Established by Resolution No. 94-110 adopted on December 12, 1994. Modified by Resolution No. 96-100 adopted on December 9, 1996. Disbanded by Resolution No. 98-32 adopted on May 11, 1998. Re-established by Resolution No. 2000-103 adopted on December 12, 2000. Duties and membership amended by Resolution No. 2007-21 adopted on April 10, 2007. Purpose and responsibilities amended by Resolution No. 2013-32 adopted on April 9, 2013. Membership, qualifications and term of members, and purpose and responsibilities amended by Resolution No. 2015-5 adopted on January 13, 2015.

### **MEMBERSHIP:**

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Seven (7) total. Three (3) Council Members appointed by the Mayor subject to full City Council approval. Four (4) Citizen Advisors appointed by the Council Members not on the Committee subject to approval of the full City Council. Citizen Advisors have equal voting status. The Mayor shall appoint the chairperson subject to confirmation of the full City Council.

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Staff support shall be provided primarily by the City Manager and the Finance Director and by other staff as necessary.

Meetings to be monthly or semi-monthly in the City Council Chambers, as required, on weeknight (M-Th) evenings no earlier than 6:00 PM to encourage public participation.

**TERM OF COUNCIL MEMBERS:** Indefinite pending City Council action.

**TERM OF APPOINTED MEMBERS:** Appointed Annually

### **QUALIFICATIONS OF APPOINTED MEMBERS:**

1. Must be a resident of the city of Newport Beach
2. Must be a registered voter in Newport Beach
3. Must be appointed by a City Council Member
4. Recommended, but not required, that the appointee be a CPA, CFA or Business/Finance major or other such designation as may be appropriate.

### **PURPOSE & RESPONSIBILITIES:**

- A. Review and monitor events and issues which may affect the financial status of the City;
- B. Make recommendations to the City Council regarding amendments to financial and budgetary policies;

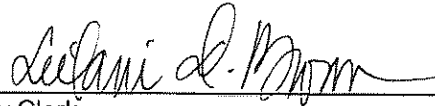
- C. In accordance with Sections 504 & 1101 of the City Charter, review the City Manager's proposed budget and give recommendations to the City Manager in advance of the budget's presentation to the City Council. The Committee's recommendations shall be provided in writing to the City Council along with the City Manager's presented budget.
- D. Recommend for Council approval, and manage an on-going process for measuring and setting goals designed to maximize the City's revenues consistent with existing taxation structures and inter- governmental funding opportunities, fee generation consistent with market rate charges for City provided services and market rate fees for utilization of City owned assets. Recommend to Council major initiatives to accomplish identified goals;
- E. Recommend for Council approval, and manage an on-going process for measuring and setting goals designed to minimize the City's cost to provide core services and required activities, consistent with the desired service level for residents and other internal and external customers. Recommend to Council major initiatives to accomplish identified goals;
- F. Review with staff on an annual basis the timing, means of financing, and fiscal impacts associated with funding the high-priority projects designated in the Facilities Financing Plan. After approval by the City Council, identify, review and annually recommend to Council the most advantageous methods to fund the City Council's approved Facilities Financing Plan;
- G. Identify, review and annually recommend to Council the most advantageous methods to fund the City's long term compensation and benefit program liabilities;
- H. Review and recommend to Council policies related to the setting of funding goals for reserves, and review on-going progress related thereto;
- I. Review the structure and documentation of any proposed debt financing to assess the risk associated with debt usage;
- J. Conduct audit conference meeting(s) with the auditors to provide independent review and oversight of the City of Newport Beach's financial reporting processes, framework of internal control, and to provide a forum in which auditors can candidly discuss concerns in the absence of staff; and
- K. Recommend for Council approval and monitor and review activities related to Investment Guidelines for City Reserve and investment funds.

STATE OF CALIFORNIA                    }  
COUNTY OF ORANGE                    }  
CITY OF NEWPORT BEACH                }            ss.

I, Leilani I. Brown, City Clerk of the City of Newport Beach, California, do hereby certify that the whole number of members of the City Council is seven; that the foregoing resolution, being Resolution No. 2015-5 was duly and regularly introduced before and adopted by the City Council of said City at a regular meeting of said Council, duly and regularly held on the 13<sup>th</sup> day of January, 2015, and that the same was so passed and adopted by the following vote, to wit:

AYES:                Council Member Petros, Council Member Curry, Council Member Duffield,  
                          Council Member Muldoon, Mayor Pro Tem Dixon, Mayor Selich  
NAYS:                Council Member Peotter

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of said City this 14<sup>th</sup> day of January, 2015.



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City Clerk  
Newport Beach, California

(Seal)

