

CITY OF NEWPORT BEACH



FISCAL YEAR 2005-2006

RESOURCE ALLOCATION PLAN





The City of Newport Beach was incorporated September 1, 1906.

The present City Seal was adopted July 22, 1957.

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 work 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 2005-2006

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NEWPORT BEACH CITY OFFICIALS

City Council



John Heffernan
Mayor



Tod W. Ridgeway
Council Member



Don Webb
Mayor Pro Tem



Steven Rosansky
Council Member



Leslie J. Daigle
Council Member



Edward D. Selich
Council Member



Richard A. Nichols
Council Member

Principal Administrative Officers



LaVonne M. Harkless
City Clerk



Homer L. Bludau
City Manager



Robin Clauson
City Attorney

Sharon Wood Assistant City Manager/Director of Community & Economic Development
 Dave Kiff.....Assistant City Manager
 Dennis C. Danner Administrative Services Director/Treasurer
 Bob McDonell Chief of Police
 Tim Riley..... Fire Chief
 Mark Harmon General Services Director
 Marie Knight Recreation & Senior Services Director
 Patricia L. Temple..... Planning Director
 Jay Elbettar Building Director
 Steve Badum Public Works Director
 Barbara Ramsey Human Resources Director
 Eldon Davidson Utilities Director
 Linda Katsouleas Library Services Director



CITY OF NEWPORT BEACH

ADMINISTRATIVE SERVICES

Dennis Danner, Director/Treasurer

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

Dear Mayor Heffernan and Council Members:

As directed by the Newport Beach City Charter, it is my pleasure to submit the 2005-2006 City Budget to you. As you know, the Budget is a plan of financial activity for the fiscal year that starts July 1, 2005 and ends June 30, 2006.

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 2005-06).

As we have in the past and 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

Since our incorporation almost 100 years ago, the City of Newport Beach has been blessed with tremendous resources including, an impressive ocean shoreline and bay, one of the greatest natural recreational boat harbors in the world, and a mild climate. These combine to create one of Southern California's most scenic and dynamic communities, drawing residents, visitors, and businesses from across the US and the world. As we prepared the City's budget for fiscal year 2005-06, we recognized these strengths and also some significant issues facing the City, because no one is immune to the challenges faced today by our county, our region, our state, and our nation. Some of the issues we assessed during the development of this budget are:

- State budget deficits have left local governments in a tenuous position – we have no way now of knowing what actions the Governor and the Legislature may take – that could affect our finances. At various times over the past few years, legislators and the Governor have proposed reductions in the collection and distribution of Vehicle License Fees (VLF) and a “swap” of local sales tax for local property tax (known as the Triple Flip). While a portion of this swap (the reallocation of property taxes to offset school district funding) is promised to end in 2007, we still need to be cautious;
- The California Public Employees Retirement System (CalPERS) earned 13.5 percent return on its investments in 2004, marking the second year in a row that they've earned double-digit returns. While this will result in lower contribution rates, it usually takes two years before we see a change in our rates that impacts our budget. Therefore this budget includes a significant increase in PERS costs for miscellaneous members and a slight increase in costs for safety members;
- Negotiations with several unions that represent full-time employees are ongoing or will begin during calendar year 2005. Some limited funds have been included in this budget for future contract adjustments which may be authorized by the City Council; and
- Privatization. Many in our community aren't aware of the extent to which we already privatize services. Dozens of operations that we could do “in-house” are done by the private sector, including some trash collection, custodial, storm drain cleaning, alley sweeping, recreation program instruction, legal counsel, and much more. We do not and have not privatized many core services important to the community – including police, fire, lifeguards, and libraries. We will, however, continue to weigh the merits of privatization versus doing work with in-house staff. Importantly, our community needs to know that the laws have changed in recent years making privatization somewhat difficult and less attractive financially – court interpretations of prevailing wage laws and the Fair Labor Standards Act (FLSA) make privatization decisions much more complex. For more about these issues, please take a look at our Web site.

Even as those issues affect our budget planning, there are many good things going on that give us reasons for an optimistic view of the future. These include:

- A continued strong housing market (including remodels) and additional new home construction in the Crystal Cove area of Newport Coast have kept property values high, with resulting strong property taxes growth;
- Our business community remains successful, showing continued strength in the retail market – sales from restaurants, autos, furnishings, and department stores are slightly above projections;

- A stable tourism base that has kept visitors coming to Newport Beach and spending their tax dollars in our restaurants and shops.

GENERAL FUND. The General Fund is the key operating fund within the City's budget. This fund contains expenditures for all operating City departments except the Water and Wastewater Divisions within Utilities. In 2005-06 the proposed General Fund expenditures, including General Fund capital improvements, total \$120.1 million, a decrease of \$500,000 from 2004-05.

I am recommending eight new positions in the 2005-06 budget, primarily due to our recent annexations:

- Fiscal Clerk (Revenue Division of Administrative Services Department)
- Budget Analyst (Accounting Division of Administrative Services Department)
- MIS Specialist (Police Department)
- Office Assistant (Planning Department)
- Two Library Assistants (Library & Cultural Arts Department)
- Park Groundswoker II (Recreation & Senior Services)
- Public Works Inspector (Public Works Department)

Four of these positions are currently part-time positions that I am recommending be changed to full-time positions. In addition, one of the Library Assistant positions will be assigned to the new Mariners Library, which is a requirement of the State grant funding part of the construction of the new facility. The Public Works Inspector position will initially be funded using proceeds from the three current Assessment District projects as the position will be assigned to oversee those projects exclusively.

REVENUE OUTLOOK. We are projecting General Fund revenue to remain relatively flat, increasing only 1.7% over FY 2005-06 for a total of \$119.7 million. Total revenues will be dropping 6.7% to \$175.7 million due to receipt in the current year of some significant one-time revenues such as the EPA grant for the Big Canyon Reservoir cover project, funding from the Robinson Skinner Annuity for the Back Bay Dredging permanent fund, contributions for Assessment Districts 68 and 69, and receipt of some redevelopment funds for the Fire Station 7 property acquisition. Excluding internal service premiums collected to fund insurance reserves, equipment maintenance and replacement, and post employment medical benefits, total revenues from outside sources are estimated to be approximately \$162.5 million.

EXPENDITURE OUTLOOK. Total proposed City expenditures in 2005-06, including debt service and capital projects, is \$193.7 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 \$180.5 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 \$180.5 million of proposed expenditures in fiscal year 2005-06, \$13.9 million are CIP projects that have been rebudgeted from a prior fiscal year because the project was delayed or is partially complete. 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.

Total FY 2005-06 operating expenditures excluding CIPs, and internal charges amount to \$150.8 million which is only a 1.9% increase over the 2004-05 amended budget. This increase is primarily due to PERS contribution rate increases, a modest increase in Maintenance and Operation expenditures, and a decrease in capital outlay expenditures.

CAPITAL IMPROVEMENT PROGRAM. The CIP serves as a funding plan for public improvements, special projects, and 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, water and wastewater improvements, and some planning programs. The FY 2005-06 CIP totals \$36.1 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.

CONCLUSION. The financial plan for FY 2005-06, the City's centennial, is a conservative and balanced plan that was developed while keeping a close eye on the outside factors that can affect the City's financial status. All Council reserve fund policies have been met and the proposed General Fund expenditures are fully offset by anticipated General Fund revenues. As always, we present this budget with great pride given its continued emphasis towards the delivery of quality services to the wonderful citizens of and visitors to Newport Beach.

Homer Bludau
City Manager

INTRODUCTION

CITY OF NEWPORT BEACH

BUDGET FOR FISCAL YEAR 2005-2006

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 \$5000 in any Budget Activity or Capital Project. All budget amendment increases exceeding \$5000 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.

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 57% 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 2005-06, the appropriations limit adopted by the City Council, in accordance with Revenue and Taxation Code Section 7910, was \$119,548,685. Calculations determining this amount, which is more than \$28 million greater than the budgeted proceeds of taxes (even without adjusting for exclusions) are verified as part of the City's annual audit.

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 and Stabilization Reserve be created and that the balances in these reserves shall be maintained with not less than 10.0 percent and 2.0 percent respectively of the appropriation budget total within the General Fund of the City's annual approved budget." The balances in these reserves are currently at their targeted amounts. In addition, Policy F-2 includes a Reserve for Capital Improvement to fund replacement of City owned buildings.

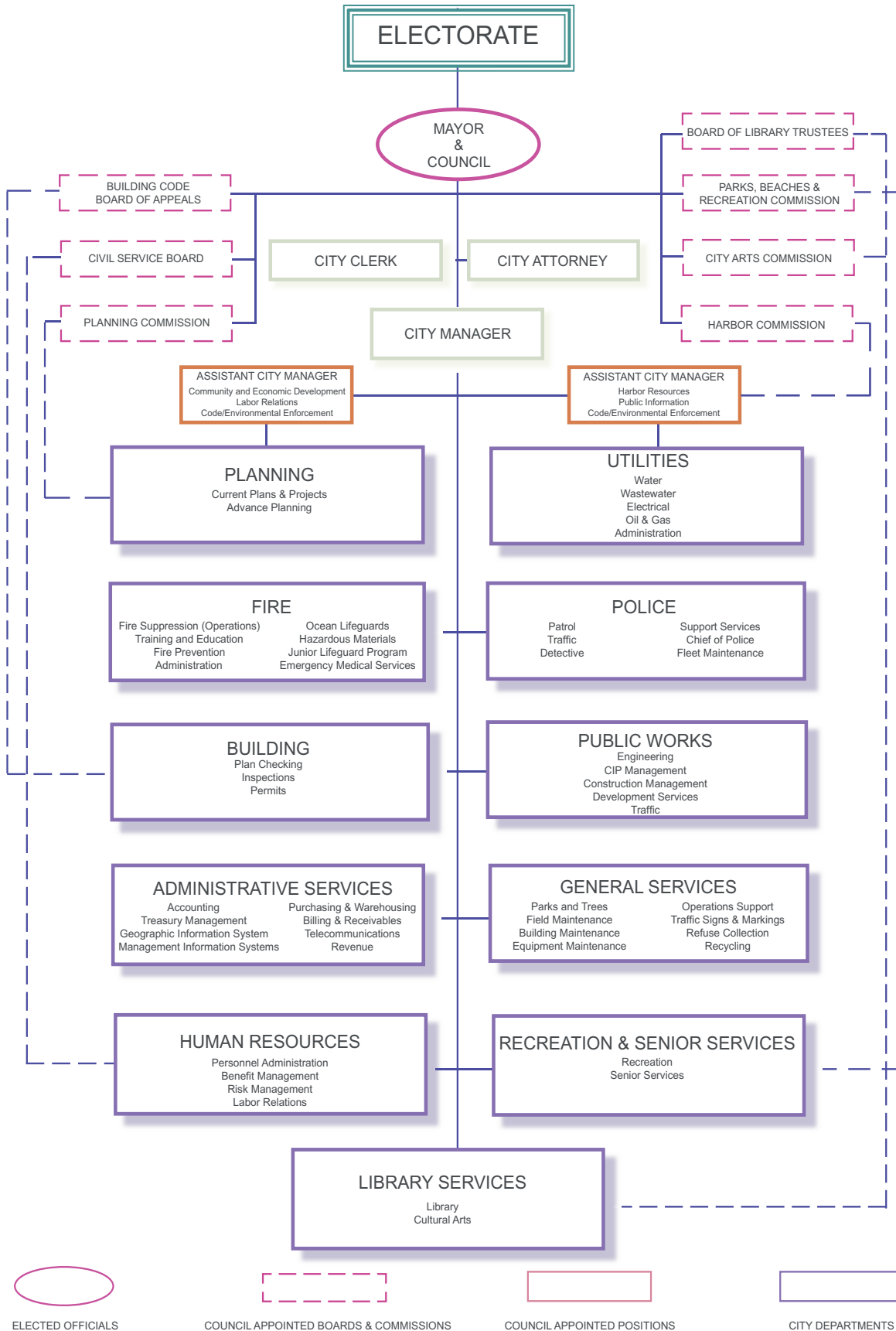
In addition to the General Fund's reserves, other reserve levels have been established. In the Tide and Submerged Land Fund, reserves are designated for Upper Newport Bay restoration projects. The City's Permanent Endowment Fund (Robinson Skinner Annuity) provides investment earning be reserved for dredging 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 (or Time Deposits)
- Negotiable Certificates of Deposit
- Bankers Acceptances
- U.S. Treasury Issues
- Securities of Federal Agencies and Federal Instrumentalities
- 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
- Asset/Investment Management Agreements

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.



Fiscal Year 2005-2006

March 22, 2005

SUMMARIES

<p>TABLE OF MISCELLANEOUS STATISTICAL INFORMATION</p> <p>FISCAL YEAR 2005-2006</p>
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<p>COUNCIL-MANAGER FORM OF GOVERNMENT</p> <p>RESIDENTIAL POPULATION (January 1, 2004 estimate):</p> <table style="width: 100%;"> <tr> <td style="width: 80%;">Permanent</td> <td style="text-align: right;">80,831</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%;"> <thead> <tr> <th></th> <th style="text-align: right;"><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 SQUARE MILES</td> <td style="text-align: right; border-top: 1px solid black;">51.4</td> </tr> </tbody> </table> <table style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>Acres</u></th> </tr> </thead> <tbody> <tr> <td>Land</td> <td style="text-align: right;">16,584</td> </tr> <tr> <td>Bay</td> <td style="text-align: right;">1,600</td> </tr> <tr> <td>Ocean</td> <td style="text-align: right;">14,894</td> </tr> <tr> <td>TOTAL ACRES</td> <td style="text-align: right; border-top: 1px solid black;">33,078</td> </tr> </tbody> </table> <p>WATER FRONTAGE</p> <table style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>Miles</u></th> </tr> </thead> <tbody> <tr> <td>Upper Bay Frontage</td> <td style="text-align: right;">13</td> </tr> <tr> <td>Ocean</td> <td style="text-align: right;">10</td> </tr> <tr> <td>Harbor</td> <td style="text-align: right;">21</td> </tr> <tr> <td>TOTAL WATER FRONTAGE</td> <td style="text-align: right; border-top: 1px solid black;">44</td> </tr> </tbody> </table> <p>ASSESSED VALUATION</p> <table style="width: 100%;"> <tr> <td style="width: 80%;">TOTAL</td> <td style="text-align: right;">\$26,048,812,767</td> </tr> </table> <p>NEWPORT HARBOR</p> <table style="width: 100%;"> <tr> <td style="width: 80%;">Boats</td> <td style="text-align: right;">9,900</td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">1,230</td> </tr> <tr> <td>Commercial Slips and Side Ties</td> <td style="text-align: right;">2,330</td> </tr> <tr> <td>Bay Moorings</td> <td style="text-align: right;">1,235</td> </tr> </table>	Permanent	80,831	Summer	100,000		<u>Square Miles</u>	Land	25.9	Bay	2.5	Ocean	23.0	TOTAL SQUARE MILES	51.4		<u>Acres</u>	Land	16,584	Bay	1,600	Ocean	14,894	TOTAL ACRES	33,078		<u>Miles</u>	Upper Bay Frontage	13	Ocean	10	Harbor	21	TOTAL WATER FRONTAGE	44	TOTAL	\$26,048,812,767	Boats	9,900	Residential	1,230	Commercial Slips and Side Ties	2,330	Bay Moorings	1,235	<p>CITY WATER SERVICE CONNECTIONS 26,369</p> <p>NUMBER OF FIRE STATIONS 8</p> <p>NUMBER OF CITY LIBRARIES 4</p> <p>NUMBER OF PARKWAY TREES 29,000</p> <p>RECREATIONAL ACREAGE</p> <table style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>Acres</u></th> </tr> </thead> <tbody> <tr> <td>Ocean Water</td> <td style="text-align: right;">14,894</td> </tr> <tr> <td>Harbor Waters</td> <td style="text-align: right;">1,598</td> </tr> <tr> <td>Parks</td> <td style="text-align: right;">258</td> </tr> <tr> <td>Beaches</td> <td style="text-align: right;">237</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right; border-top: 1px solid black;">16,987</td> </tr> </tbody> </table> <p>STREETS AND ALLEYS</p> <table style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: right;"><u>Miles</u></th> </tr> </thead> <tbody> <tr> <td>Improved</td> <td style="text-align: right;">321</td> </tr> <tr> <td>Unimproved</td> <td style="text-align: right;">2</td> </tr> <tr> <td>State Highway</td> <td style="text-align: right;">10</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">333</td> </tr> </tbody> </table> <p>DWELLING UNITS</p> <table style="width: 100%;"> <tr> <td style="width: 80%;">January 1, 2004</td> <td style="text-align: right;">41,851</td> </tr> <tr> <td>Occupancy factor per dwelling unit</td> <td style="text-align: right;">1.93</td> </tr> </table> <p>POPULATION DENSITY</p> <table style="width: 100%;"> <tr> <td style="width: 80%;">Per Square Mile</td> <td style="text-align: right;">3,119.68</td> </tr> <tr> <td>Per Acre</td> <td style="text-align: right;">4.87</td> </tr> </table> <p>EMPLOYEES</p> <table style="width: 100%;"> <tr> <td style="width: 80%;">Regular Full Time</td> <td style="text-align: right;">796</td> </tr> <tr> <td>Total (Including Part Time)</td> <td style="text-align: right;">1,251</td> </tr> </table>		<u>Acres</u>	Ocean Water	14,894	Harbor Waters	1,598	Parks	258	Beaches	237	TOTAL	16,987		<u>Miles</u>	Improved	321	Unimproved	2	State Highway	10		333	January 1, 2004	41,851	Occupancy factor per dwelling unit	1.93	Per Square Mile	3,119.68	Per Acre	4.87	Regular Full Time	796	Total (Including Part Time)	1,251
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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 2005-06

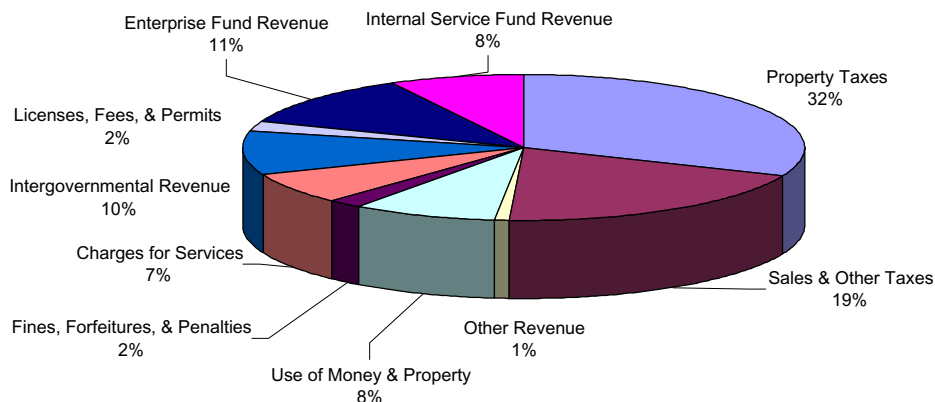
Fund/Revenue Category	2000-01 Actual Revenue	2001-02 Actual Revenue	2002-03 Actual Revenue	2003-04 Actual Revenue	2004-05 Estimated Revenue	2005-06 Revenue Budget Estimate	Percent Increase (Decrease)
GENERAL FUND							
PROPERTY TAXES	28,858,182	33,583,659	39,474,865	43,631,829	53,311,953	55,369,800	3.86%
TAXES OTHER THAN PROPERTY	34,050,123	31,876,781	32,985,528	35,790,936	33,248,321	34,102,898	2.57%
LICENSES AND PERMITS	2,243,306	1,956,365	2,305,118	3,483,020	2,639,340	2,511,540	-4.84%
INTERGOVERNMENTAL	7,006,393	7,253,139	6,035,742	6,014,233	4,243,904	3,397,955	-19.93%
CHARGES FOR CURRENT SERVICES	9,803,379	10,318,366	11,099,872	11,899,279	11,929,149	11,854,126	-0.63%
FINES, FORFEITURES & PENALTIES	3,427,891	3,252,387	3,380,531	3,551,515	3,752,800	3,822,800	1.87%
USE OF MONEY AND PROPERTY	7,389,450	7,232,430	7,328,014	6,397,127	7,505,083	7,897,392	5.23%
OTHER REVENUE	507,500	1,212,707	1,173,647	216,898	1,042,900	723,600	-30.62%
TOTAL GENERAL FUND	93,286,224	96,685,834	103,783,317	110,984,837	117,673,450	119,680,111	1.71%
ASSET FORFEITURE FUND							
INTERGOVERNMENTAL	72,536	46,258	47,795	59,652	215,230	100,000	-53.54%
USE OF MONEY AND PROPERTY	39,265	28,143	13,556	1,638	5,000	5,000	0.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL FORFEITURE FUND	111,801	74,401	61,351	61,290	220,230	105,000	-52.32%
SLESF - COPS FUND							
INTERGOVERNMENTAL	164,028	144,141	144,049	119,171	120,000	120,000	0.00%
USE OF MONEY AND PROPERTY	1,019	545	295	240	0	1,382	0.00%
TOTAL SLESF - COPS FUND	165,047	144,686	144,344	119,411	120,000	121,382	1.15%
LLEBG FUND							
INTERGOVERNMENTAL	59,465	75,524	37,847	39,448	24,500	0	-100.00%
USE OF MONEY AND PROPERTY	3,772	4,375	933	2,975	0	0	0.00%
TOTAL LLEBG FUND	63,237	79,899	38,780	42,423	24,500	0	-100.00%
CDBG FUND							
INTERGOVERNMENTAL	498,000	697,352	3,235,483	0	426,000	426,000	0.00%
USE OF MONEY AND PROPERTY	0	0	28,085	5,598	0	0	0.00%
TOTAL CDBG FUND	498,000	697,352	3,263,568	5,598	426,000	426,000	0.00%
STATE GAS TAX FUND							
INTERGOVERNMENTAL	1,365,907	1,208,426	1,332,751	1,484,796	1,505,500	1,666,132	10.67%
USE OF MONEY AND PROPERTY	385,336	273,788	166,499	20,735	43,750	92,614	111.69%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL GAS TAX FUND	1,751,243	1,482,214	1,499,250	1,505,531	1,549,250	1,758,746	13.52%
TRAFFIC CONGESTION FUND							
INTERGOVERNMENTAL	572,150	179,335	192,176	0	0	0	0.00%
USE OF MONEY AND PROPERTY	0	32,100	8,748	2,037	0	1,056	0.00%
TOTAL TRAFFIC CONGESTN FUND	572,150	211,435	200,924	2,037	0	1,056	0.00%
TIDELANDS FUND							
LICENSES, PERMITS AND FEES	1,124,359	1,184,962	1,039,967	1,230,464	1,247,176	1,260,700	1.08%
INTERGOVERNMENTAL	0	98,614	18,333	18,333	0	0	0.00%
CHARGES FOR SERVICES	31,920	20,202	56,422	38,560	40,000	40,000	0.00%
FINES, FORFEITURES & PENALTIES	2,106	131,778	11,623	-514	700	700	0.00%
USE OF MONEY AND PROPERTY	6,641,364	4,797,762	5,374,101	5,696,396	5,670,377	5,744,801	1.31%
OTHER REVENUE	-2,999	286,496	65,728	-2,384	0	0	0.00%
TOTAL TIDELANDS FUND	7,796,750	6,519,814	6,566,174	6,980,855	6,958,253	7,046,201	1.26%
CONTRIBUTIONS FUND							
INTERGOVERNMENTAL	197,265	69,683	314,433	1,308,217	1,341,025	1,341,025	0.00%
USE OF MONEY AND PROPERTY	0	4,374	0	0	0	17,299	0.00%
OTHER REVENUE	25,000	71,470	54,625	50,000	0	0	0.00%
TOTAL CONTRIBUTIONS FUND	222,265	145,527	369,058	1,358,217	1,341,025	1,358,324	1.29%
CIRCULATION AND TRANS FUND							
LICENSE, PERMITS AND FEES	483,398	56,454	855,301	681,046	200,000	200,000	0.00%
USE OF MONEY AND PROPERTY	418,864	310,243	249,237	27,585	125,000	111,717	-10.63%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL CIRCULATION FUND	902,262	366,697	1,104,538	708,631	325,000	311,717	-4.09%
BUILDING EXCISE TAX FUND							
LICENSES, PERMITS AND FEES	329,206	152,778	197,133	210,086	150,000	150,000	0.00%
USE OF MONEY AND PROPERTY	54,448	30,743	12,405	1,692	7,000	9,356	33.66%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL BET FUND	383,654	183,521	209,538	211,778	157,000	159,356	1.50%

REVENUE SUMMARY 2005-06

Fund/Revenue Category	2000-01 Actual Revenue	2001-02 Actual Revenue	2002-03 Actual Revenue	2003-04 Actual Revenue	2004-05 Estimated Revenue	2005-06 Revenue Budget Estimate	Percent Increase (Decrease)
MEASURE "M" FUND							
INTERGOVERNMENTAL	969,115	1,083,034	1,010,077	1,300,089	1,713,149	1,721,189	0.47%
USE OF MONEY AND PROPERTY	143,525	113,266	89,002	12,192	38,750	56,928	46.91%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL MEASURE "M" FUND	1,112,640	1,196,300	1,099,079	1,312,281	1,751,899	1,778,117	1.50%
BIKES & TRAILWAYS FUND							
INTERGOVERNMENTAL	0	52,272	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	4,069	3,264	3,878	309	0	0	0.00%
TOTAL BIKES & TRAILWAYS FUND	4,069	55,536	3,878	309	0	0	0.00%
AHRP FUND							
INTERGOVERNMENTAL	6,273	237,414	366,441	690,543	0	1,102,070	0.00%
TOTAL AHRP FUND	6,273	237,414	366,441	690,543	0	1,102,070	0.00%
AIR QUALITY MGMT FUND							
INTERGOVERNMENTAL	84,119	79,546	123,573	144,692	136,000	136,000	0.00%
USE OF MONEY AND PROPERTY	9,857	5,600	0	128	0	1,167	0.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL AQMD FUND	93,976	85,146	123,573	144,820	136,000	137,167	0.86%
ENVIRONMENTAL LIABILITY FUND							
OTHER REVENUE	373,655	418,431	414,803	332,813	370,000	370,000	0.00%
USE OF MONEY AND PROPERTY	99,064	93,710	79,954	10,135	40,000	49,590	23.98%
TOTAL ENVIRONMENTAL LIAB FD	472,719	512,141	494,757	342,948	410,000	419,590	2.34%
OIL SPILL REMEDIATION FUND							
TOTAL OTHER REVENUE	5,188,774	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	276,132	235,328	76,455	7,007	0	23,342	0.00%
TOTAL OIL SPILL FUND	5,464,906	235,328	76,455	7,007	0	23,342	0.00%
NEWPORT ANNEXATION FUND							
INTERGOVERNMENTAL	0	15,000,000	0	5,000,000	0	3,000,000	0.00%
USE OF MONEY AND PROPERTY	0	447,774	458,964	88,316	415,000	426,756	2.83%
TOTAL ANNEXATION FUND	0	15,447,774	458,964	5,088,316	415,000	3,426,756	725.72%
ASSESSMENT DISTRICT PROJECTS							
OTHER REVENUE	3,428,762	741,196	2,127,087	260,457	14,792,480	0	-100.00%
USE OF MONEY AND PROPERTY	0	0	0	5,501	0	13,724	0.00%
TOTAL ASSESSMENT DISTRICT FUND	3,428,762	741,196	2,127,087	260,457	14,792,480	13,724	-99.91%
CIOSA FUND							
OTHER REVENUE	4,841,699	28,227	1,981	0	0	0	0.00%
USE OF MONEY AND PROPERTY	64,693	298,566	218,056	26,551	112,500	100,455	-10.71%
TOTAL CIOSA FUND	4,906,392	326,793	220,037	26,551	112,500	100,455	-10.71%
BONITA CANYON DEV. FUND							
OTHER REVENUE	0	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	460,519	223,319	194,454	65,517	0	0	0.00%
TOTAL BONITA CANYON DEV. FD.	460,519	223,319	194,454	65,517	0	0	0.00%
MARINERS LIBRARY							
INTERGOVERNMENTAL	0	0	0	144,685	500,000	2,373,376	374.68%
OTHER REVENUE	0	0	1,069,732	38,269	0	0	0.00%
USE OF MONEY AND PROPERTY	0	0	0	5,338	0	23,743	0.00%
TOTAL MARINERS LIBRARY FUND	0	0	1,069,732	188,292	500,000	2,397,119	379.42%
FIRE STATION #7							
INTERGOVERNMENTAL	0	0	0	0	2,500,000	1,600,000	-36.00%
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.	0	0	0	0	2,500,000	1,600,000	-36.00%
MARINE SCIENCE CENTER							
INTERGOVERNMENTAL	0	0	0	0	0	0	0.00%
OTHER REVENUE	0	0	0	0	209,848	0	-100.00%
USE OF MONEY AND PROPERTY	0	0	0	0	0	0	0.00%
TOTAL MARINE SCIENCE CENTER	0	0	0	0	209,848	0	-100.00%
WATER ENTERPRISE FUND							
LICENSES, PERMITS AND FEES	0	0	0	0	0	0	0.00%
INTERGOVERNMENTAL	10,953	-10,799	0	1,608,507	1,454,808	0	-100.00%
CHARGES FOR SERVICES	16,727,539	16,620,928	16,228,130	16,655,234	16,540,000	16,540,000	0.00%
USE OF MONEY AND PROPERTY	1,416,678	1,144,197	837,322	128,259	475,000	395,078	-16.83%
OTHER REVENUE	84,510	55,593	261,152	-70,877	16,000	16,000	0.00%
TOTAL WATER FUND	18,239,680	17,809,919	17,326,604	18,321,123	18,485,808	16,951,078	-8.30%

REVENUE SUMMARY 2005-06

Fund/Revenue Category	2000-01 Actual Revenue	2001-02 Actual Revenue	2002-03 Actual Revenue	2003-04 Actual Revenue	2004-05 Estimated Revenue	2005-06 Revenue Budget Estimate	Percent Increase (Decrease)
PARKING FACILITY FUND							
USE OF MONEY AND PROPERTY	119,157	0	0	0	0	0	0.00%
TOTAL PARKING FUND	<u>119,157</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
WASTEWATER ENTERPRISE FUND							
INTERGOVERNMENTAL	179	0	0	105	0	0	0.00%
CHARGES FOR SERVICES	2,917,734	2,923,583	2,729,781	2,858,223	2,892,000	2,892,000	0.00%
USE OF MONEY AND PROPERTY	214,287	199,883	138,873	16,986	75,000	77,460	3.28%
OTHER REVENUE	6,627	22,221	39,160	-312,876	3,000	2,000	-33.33%
TOTAL WASTEWATER FUND	<u>3,138,827</u>	<u>3,145,687</u>	<u>2,907,814</u>	<u>2,562,438</u>	<u>2,970,000</u>	<u>2,971,460</u>	<u>0.05%</u>
INSURANCE RESERVE FUND							
WORKERS' COMP PREMIUM	3,179,926	3,180,536	3,199,425	3,199,597	3,199,421	3,199,421	0.00%
GENERAL LIABILITY PREMIUM	1,779,779	1,862,778	1,827,779	1,828,697	1,828,697	1,828,697	0.00%
DISABILITY INSURANCE PREMIUM	225,207	0	0	0	0	0	0.00%
OTHER REVENUE	403,485	417,938	328,917	37,094	177,500	147,055	-17.15%
TOTAL INSURANCE FUND	<u>5,588,397</u>	<u>5,461,252</u>	<u>5,356,121</u>	<u>5,065,388</u>	<u>5,205,618</u>	<u>5,175,173</u>	<u>-0.58%</u>
RETIREE MEDICAL FUND							
CHARGES FOR SERVICES	1,119,000	1,304,439	1,532,299	1,629,794	1,689,907	1,689,907	0.00%
USE OF MONEY AND PROPERTY	1,582	77,712	72,743	10,160	37,500	50,834	35.56%
TOTAL RETIREE MEDICAL FUND	<u>1,120,582</u>	<u>1,382,151</u>	<u>1,605,042</u>	<u>1,639,954</u>	<u>1,727,407</u>	<u>1,740,741</u>	<u>0.77%</u>
COMPENSATED ABSENCE FUND							
CHARGES FOR SERVICES	1,228,997	1,330,581	1,455,909	1,522,614	1,578,335	1,578,335	0.00%
USE OF MONEY AND PROPERTY	81,862	85,809	61,062	7,873	32,500	40,075	23.31%
TOTAL COMP. ABSENCE FUND	<u>1,310,859</u>	<u>1,416,390</u>	<u>1,516,971</u>	<u>1,530,487</u>	<u>1,610,835</u>	<u>1,618,410</u>	<u>0.47%</u>
EQUIPMENT MAINTENANCE FUND							
INTERGOVERNMENTAL	0	0	0	75	0	0	0.00%
EQUIPMENT MAINTENANCE	1,784,022	1,447,467	1,523,806	1,704,155	1,828,178	1,872,937	2.45%
EQUIPMENT REPLACEMENT	2,219,600	2,306,707	2,696,264	2,743,083	2,896,038	2,984,986	3.07%
OTHER REVENUE	448,693	615,203	787,024	172,644	349,000	370,695	6.22%
TOTAL EQUIPMENT FUND	<u>4,452,315</u>	<u>4,369,377</u>	<u>5,007,094</u>	<u>4,619,957</u>	<u>5,073,216</u>	<u>5,228,618</u>	<u>3.06%</u>
ACKERMAN FUND							
USE OF MONEY AND PROPERTY	17,721	14,553	11,013	4,878	19,400	26,698	37.62%
OTHER REVENUE	185,000	185,000	185,000	1,981,286	0	0	0.00%
TOTAL ACKERMAN TRUST FUND	<u>202,721</u>	<u>199,553</u>	<u>196,013</u>	<u>1,986,164</u>	<u>19,400</u>	<u>26,698</u>	<u>37.62%</u>
BACK BAY DREDGING FUND							
USE OF MONEY AND PROPERTY	0	15	132	17	23,750	48,254	103.17%
OTHER REVENUES	0	3,000	0	0	3,800,000	0	-100.00%
TOTAL BACK BAY DREDGING	<u>0</u>	<u>3,015</u>	<u>132</u>	<u>17</u>	<u>3,823,750</u>	<u>48,254</u>	<u>N/A</u>
TOTAL ALL FUNDS	<u>155,875,427</u>	<u>159,439,671</u>	<u>157,391,090</u>	<u>165,835,927</u>	<u>188,538,469</u>	<u>175,726,665</u>	<u>-6.80%</u>
Less: Internal Premiums	(11,536,531)	(11,432,508)	(12,235,482)	(12,627,940)	(13,020,576)	(13,154,283)	N/A
TOTAL ALL CITY FUNDS, NET OF INTERNAL PREMIUMS	<u>144,338,896</u>	<u>148,007,163</u>	<u>145,155,608</u>	<u>153,207,987</u>	<u>175,517,893</u>	<u>162,572,382</u>	<u>-7.38%</u>



2005-06 Revenues by Source

EXPENDITURES BY FUND

Function and Activities	1999-00 Actual Expenditures	2000-01 Actual Expenditures	2001-02 Actual Expenditures	2002-03 Actual Expenditures	2003-04 Actual Expenditures	2004-05 Estimated Expenditures	2005-06 Proposed Expenditures	% of Total Operating Budget
GENERAL FUND BUDGET								
General Government								
City Council	2,658,742	2,960,014	2,805,143	1,327,729	973,213	1,297,004	1,440,660	0.96%
City Clerk	251,399	291,046	263,000	355,940	294,781	385,229	355,488	0.24%
City Manager	596,040	707,175	842,723	994,278	1,956,574	1,217,818	1,030,681	0.68%
Human Resources	814,658	958,994	1,174,414	1,146,646	1,165,004	1,323,698	1,349,136	0.89%
City Attorney	886,127	676,286	688,672	868,117	1,071,588	1,018,389	979,041	0.65%
Administrative Services	4,253,053	4,570,498	4,710,577	4,996,566	5,278,946	6,024,502	6,506,061	4.31%
Total General Government	9,460,019	10,164,013	10,484,529	9,689,276	10,740,106	11,266,640	11,661,067	7.73%
Public Safety								
Police Department	24,995,572	27,247,244	28,055,340	30,385,765	32,448,435	35,031,676	35,848,528	23.76%
Fire Department	16,292,281	17,514,345	19,340,449	22,014,685	24,029,946	26,058,930	26,163,481	17.34%
Total Public Safety	41,287,853	44,761,589	47,395,789	52,400,450	56,478,381	61,090,606	62,012,009	41.11%
Community Development								
City Manager					476,286	539,019	600,821	
Planning	1,467,235	1,444,496	1,865,009	2,447,129	2,217,737	2,939,477	2,334,886	1.55%
Building	2,260,388	2,368,074	2,516,157	2,815,996	3,065,671	3,041,339	3,309,568	2.19%
Total Community Development	3,727,623	3,812,570	4,381,166	5,263,125	5,759,694	6,519,834	6,245,275	4.16%
Public Works								
General Services	12,431,393	12,949,693	14,381,259	15,416,692	16,741,145	18,545,361	19,522,899	12.94%
Public Works	3,151,221	3,219,225	3,630,882	3,503,545	3,754,009	4,172,738	4,404,515	2.92%
Utilities	909,942	1,023,567	1,207,025	1,343,414	1,024,651	1,101,486	1,104,513	0.73%
Total Public Works	16,492,556	17,192,485	19,219,166	20,263,651	21,519,804	23,819,585	25,031,927	16.59%
Community Services								
City Council - Centennial	-	-	-	-	-	-	350,000	0.23%
Recreation & Sr. Services	2,487,446	2,516,519	2,760,959	3,007,581	3,358,550	3,980,182	4,333,635	2.87%
Libraries & Arts	4,429,287	4,809,673	5,152,068	5,168,319	5,090,337	5,321,393	5,427,936	3.60%
Total Community Services	6,916,733	7,326,192	7,913,027	8,175,900	8,448,888	9,301,575	10,111,571	6.70%
General Fund Debt Service								
	992,885	974,410	960,747	-	-	-	-	0.00%
Total General Fund Op. Budget	78,877,669	84,231,259	90,354,424	95,792,402	102,946,873	111,998,241	115,061,849	76.27%
General Fund CIPs								
	5,049,821	5,433,285	7,655,747	4,379,362	4,594,096	8,590,094	5,047,200	3.35%
Total General Fund Budget	83,927,490	89,664,544	98,010,171	100,171,764	107,540,969	120,588,335	120,109,049	79.62%
ENTERPRISE FUNDS								
Water - Operations	10,793,143	10,887,196	11,945,173	11,372,485	13,667,812	14,032,504	14,533,191	9.63%
Water - CIP	1,234,901	1,502,489	4,446,858	4,935,134	5,007,460	10,987,484	5,172,766	3.43%
Water - Debt Service	1,662,612	1,656,665	1,655,228	1,650,573	1,622,958	1,652,743	1,649,623	1.09%
Wastewater - Operations	1,454,570	1,607,382	1,754,157	1,893,290	2,221,135	2,278,259	2,460,432	1.63%
Wastewater - CIP	1,082,855	516,392	1,072,573	1,635,551	687,808	2,127,490	1,591,000	1.05%
Total Enterprise Funds	16,228,081	16,170,124	20,873,989	21,487,033	23,207,173	31,078,480	25,407,012	16.84%
INTERNAL SERVICE FUNDS								
Insurance Reserve	3,116,958	3,455,995	3,350,000	8,776,529	6,228,971	5,418,072	5,039,183	3.34%
Equipment Fund - Operations	2,929,835	2,475,815	3,085,904	3,824,754	3,687,090	4,896,783	4,249,292	2.82%
Equipment Fund - CIP	17,974	12,016	44,582	111,346	69,336	441,897	56,000	0.04%
Equipment Fund - Debt Service	662,409	577,839	720,132	831,589	459,776	459,776	261,321	0.17%
Compensated Absences	1,292,220	1,547,506	1,300,000	1,807,921	918,644	1,200,000	1,200,000	0.80%
Retiree Medical	-	979,768	867,000	1,132,143	1,199,235	1,158,250	1,276,355	0.85%
Total Internal Service Funds	8,019,395	9,048,939	9,367,618	16,484,282	12,563,052	13,574,778	12,082,151	8.01%
OTHER FUNDS								
Police Grants	464,476	424,880	510,102	309,680	318,639	402,106	320,595	0.21%
CDBG - Operations	-	-	-	150,623	149,981	188,104	176,858	0.12%
CDBG - Debt Service	-	-	-	72,846	183,581	187,056	189,514	0.13%
Tidelands - Harbor Resources	1,127,301	998,554	948,224	1,078,207	1,178,187	1,399,248	1,821,125	1.21%
Tidelands - Oil and Gas	329,266	394,351	382,202	357,693	365,699	359,175	474,738	0.31%
Tidelands - Debt Service	236,372	237,062	237,062	237,062	237,062	237,062	237,062	0.16%
AQMD	76,808	40,798	105,000	130,641	96,003	85,676	26,415	0.02%
Environmental Liability	-	-	98,971	195,340	154,389	128,699	90,000	0.06%
Newport Annexation - Debt Service	-	-	-	1,243,300	1,200,000	1,200,000	1,200,000	0.80%
Library - Debt Service	662,409	577,839	720,132	565,925	567,935	566,938	570,250	0.38%
Ackerman Fund	138,066	240,648	185,000	128,500	1,200,272	110,000	15,100	0.01%
All Other CIP	16,863,429	19,612,681	26,383,219	10,349,038	10,026,668	36,131,636	30,952,330	20.52%
Total Other Funds	19,898,127	22,526,813	29,569,912	14,818,855	15,677,816	40,995,700	36,073,987	23.91%
TOTAL OPERATING BUDGET	103,824,114	110,333,557	118,218,711	131,551,503	138,604,242	147,958,692	150,852,903	100.00%
TOTAL CIP	24,248,980	27,076,863	39,602,979	21,410,431	20,384,768	58,278,601	42,819,296	
TOTAL CITY BUDGET	128,073,094	137,410,420	157,821,690	152,961,934	158,989,010	206,237,293	193,672,199	
LESS: INTERNAL CHARGES	(9,920,661)	(11,536,531)	(11,758,631)	(11,889,976)	(12,345,448)	(13,020,576)	(13,154,283)	
TOTAL BUDGET NET OF INTERNAL CHARGES	118,152,433	125,873,889	146,063,059	141,071,958	146,643,562	193,216,717	180,517,916	

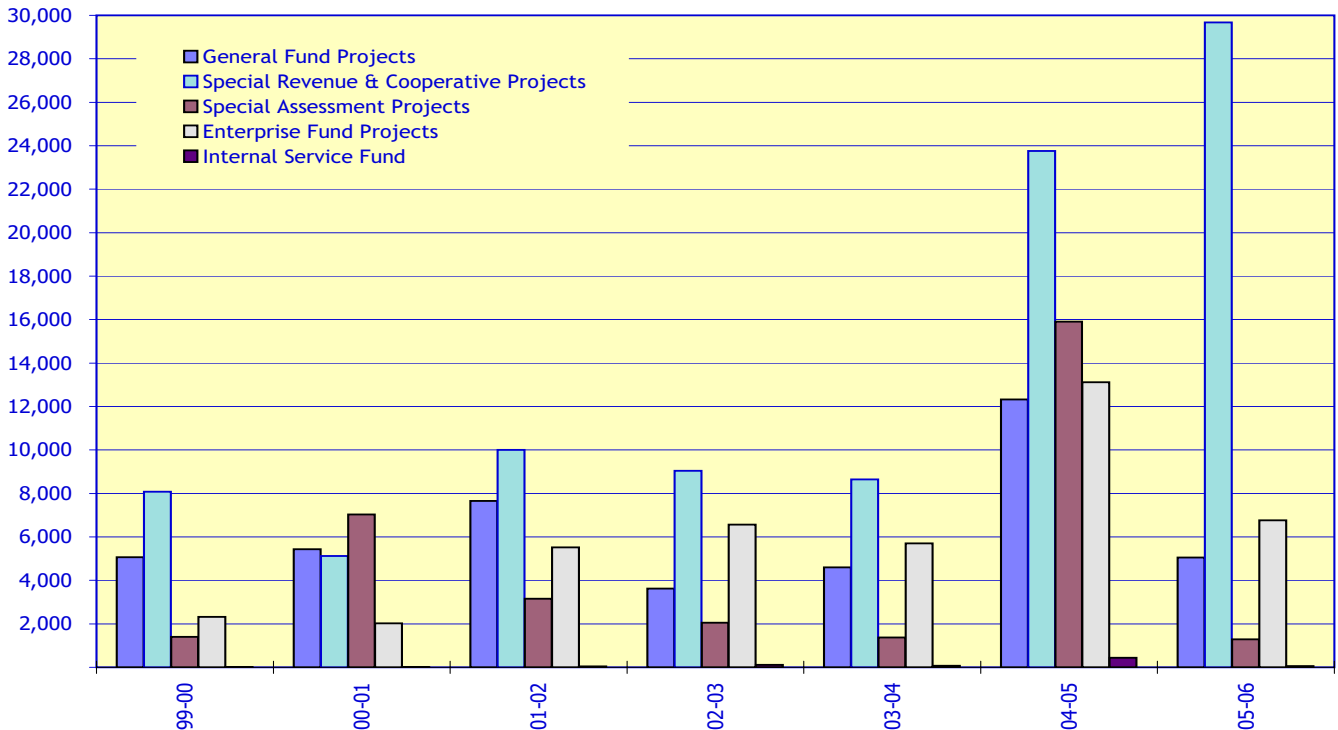
2005-06 EXPENDITURES BY DEPARTMENT

	Salaries & Benefits	% of Total	Maintenance and Operation	% of Total	Capital Outlay	% of Total	Debt Service	Total Budget	% of Total
DEPARTMENT SERVICES									
City Council	\$273,535	0.29%	\$1,248,525	2.63%	\$7,000	0.20%	\$0	\$1,529,060	0.82%
City Clerk	\$319,585	0.33%	\$37,709	0.08%	\$0	0.00%	\$0	\$357,294	0.19%
City Manager	\$2,296,768	2.40%	\$1,127,009	2.37%	\$40,700	1.18%	\$0	\$3,464,477	1.85%
Human Resources	\$931,764	0.97%	\$414,660	0.87%	\$8,000	0.23%	\$0	\$1,354,424	0.72%
City Attorney	\$783,021	0.82%	\$197,001	0.41%	\$3,000	0.09%	\$0	\$983,022	0.53%
Administrative Services	\$5,107,408	5.34%	\$1,013,520	2.13%	\$412,959	11.93%	\$0	\$6,533,887	3.50%
Police	\$30,627,011	32.01%	\$5,189,643	10.91%	\$16,372	0.47%	\$0	\$35,833,026	19.17%
Fire	\$22,331,013	23.34%	\$3,816,101	8.02%	\$187,384	5.42%	\$0	\$26,334,498	14.09%
Planning	\$1,829,556	1.91%	\$650,665	1.37%	\$41,500	1.20%	\$0	\$2,521,721	1.35%
Building	\$3,019,821	3.16%	\$279,907	0.59%	\$26,500	0.77%	\$0	\$3,326,228	1.78%
General Services	\$9,046,184	9.46%	\$10,400,412	21.87%	\$32,100	0.93%	\$0	\$19,478,696	10.42%
Library Services (incl Cultural Arts)	\$4,015,164	4.20%	\$1,290,919	2.71%	\$111,100	3.21%	\$0	\$5,417,183	2.90%
Recreation and Sr. Services	\$2,331,529	2.44%	\$1,998,085	4.20%	\$15,000	0.43%	\$0	\$4,344,614	2.32%
Public Works	\$3,669,254	3.84%	\$730,038	1.54%	\$25,600	0.74%	\$0	\$4,424,892	2.37%
Utilities	\$5,259,363	5.50%	\$13,287,438	27.94%	\$52,650	1.52%	\$0	\$18,599,451	9.95%
INTERNAL SERVICES									
Insurance Reserve	\$0	0.00%	\$5,039,183	10.60%	\$0	0.00%	\$0	\$5,039,183	2.70%
Equipment Maint. & Replacement	\$1,248,087	1.30%	\$623,683	1.31%	\$2,341,700	67.67%	\$0	\$4,213,470	2.25%
Compensated Absence	\$1,200,000	1.25%	\$0	0.00%	\$0	0.00%	\$0	\$1,200,000	0.64%
Retiree Medical	\$1,276,355	1.33%	\$0	0.00%	\$0	0.00%	\$0	\$1,276,355	0.68%
DEBT SERVICE									
Office Equipment Leases	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	\$0	0.00%
CDBG Balboa Village Loan	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$189,514	\$189,514	0.10%
Balboa Yacht Basin Construction Loan	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$237,062	\$237,062	0.13%
Assessment District Relief	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$1,200,000	\$1,200,000	0.64%
Central Library Construction	\$0	0.00%	\$5,250	0.01%	\$0	0.00%	\$565,000	\$570,250	0.31%
Groundwater Improvement Bonds	\$0	0.00%	\$5,000	0.01%	\$0	0.00%	\$1,644,623	\$1,649,623	0.88%
Rolling Stock Leases	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$261,321	\$261,321	0.14%
OTHER ACTIVITIES									
Narcotic Asset Forfeiture	\$0	0.00%	\$61,907	0.13%	\$138,688	4.01%	\$0	\$200,595	0.11%
SLESF	\$109,721	0.11%	\$10,279	0.02%	\$0	0.00%	\$0	\$120,000	0.06%
LLEBG	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	\$0	0.00%
AQMD	\$0	0.00%	\$26,415	0.06%	\$0	0.00%	\$0	\$26,415	0.01%
Environmental Liability Fund	\$0	0.00%	\$90,000	0.19%	\$0	0.00%	\$0	\$90,000	0.05%
Ackerman Donation	\$0	0.00%	\$15,100	0.03%	\$0	0.00%	\$0	\$15,100	0.01%
Capital Improvement Projects	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	\$36,151,804	19.34%
Total Budget	\$95,675,139	100.00%	\$47,558,449	100.00%	\$3,460,253	100%	\$4,097,520	\$186,943,164	100.00%
Less: Internal Charges	(6,467,663)		(6,552,913)		-		-	(13,020,576)	
Total Budget Net of Internal Charges	\$89,207,476		\$41,005,536		\$3,460,253		\$4,097,520	\$173,922,588	
	TOTAL	% OF BUDGET TYPE	% OF TOTAL BUDGET		GENERAL FUND	% OF BUDGET TYPE	% OF TOTAL BUDGET		
OPERATING BUDGET	\$95,675,139	63.45%	51.18%		\$86,133,876	74.89%	71.96%		
Maintenance and Operation	\$47,558,449	31.54%	25.44%		\$27,961,888	24.31%	23.36%		
Capital Outlay	\$3,460,253	2.29%	1.85%		\$912,165	0.79%	0.76%		
Debt Service	\$4,097,520	2.72%			\$0	0.00%			
Total Operating Budget	\$150,791,361	100.00%	80.66%		\$115,007,929	100.00%	96.08%		
CAPITAL IMPROVEMENTS	\$36,151,804	100.00%	19.34%		\$4,694,078	100.00%	3.92%		
TOTAL BUDGET	\$186,943,165	100.00%	100.00%		\$119,702,007	100.00%	100.00%		

Historical Capital Projects Spending

(dollars in thousands)

	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	<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	5,068	5,433	7,656	3,625	4,594	12,320	5,047
Special Revenue & Cooperative Projects							
CDBG	544	288	526	1,826	721	61	739
Gas Tax	2,593	1,785	2,107	1,622	1,549	2,013	3,527
Tidelands	758	561	958	858	910	1,686	1,925
Contributions	655	174	166	834	1,857	5,182	5,714
Circulation & Transportation	1,724	569	247	957	1,122	1,517	2,467
Building Excise Tax	314	271	640	180	154	238	422
Measure M	922	1,123	972	985	1,248	2,985	2,021
Bike & Trailways	-	-	-	58	-	-	-
AHRP Fund	567	-	527	679	85	19	1,090
Environmental Liability	-	-	-	-	-	-	635
Traffic Congestion Relief	-	-	539	363	85	-	-
American Trader Oil Spill Remediation	-	345	3,319	564	609	735	845
Newport Coast Annexation	-	-	-	32	7	575	6,786
Mariners Library	-	-	-	90	299	4,158	645
Fire Station #7	-	-	-	-	-	4,586	2,856
Special Assessment Projects							
Assessment Districts	151	2,183	1,670	1,697	782	15,459	126
CIOSA Development	111	765	148	295	516		1,080
Bonita Canyon Development	1,139	4,085	1,343	63	82	442	75
Enterprise Fund Projects							
Water	1,235	1,502	4,447	4,935	5,008	10,987	5,173
Sewer	1,083	516	1,073	1,636	688	2,127	1,591
Internal Service Fund							
Equipment Maintenance	18	12	45	111	69	442	56
Annual Totals	16,882	19,612	26,383	21,410	20,385	65,533	42,819



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	-	227,448	1,459,925	666,183	501,522	3,404,529	5,073,307
7010	SALARIES - SAFETY	-	-	-	-	-	-	12,098,964
7020	SALARIES - PERM PART TIME & TEMP	100,000	-	202,521	-	91,520	210,725	615,662
7040	OVERTIME, MISC	-	1,118	19,807	2,081	-	15,577	229,337
7041	OVERTIME, SAFETY	-	-	-	-	-	-	885,616
7042	OVERTIME, PLANNED	-	-	-	-	-	-	-
7043	OVERTIME, VACATION RELIEF	-	-	-	-	-	-	-
7044	OVERTIME, UNCONTROLLED	-	-	-	-	-	-	-
7059	PACKER/CALLBACK/STANDBY PAY	-	-	-	-	-	-	-
7060	COPTER,TILLER, HAZ MAT & BILINGUAL	-	-	-	-	-	-	24,600
7062	NIGHT DIFF, MISC	-	-	4,500	-	-	-	49,947
7063	CERTIFICATION PAY & LONGEVITY PAY	-	-	-	-	-	-	55,022
7070	SCHOLASTIC ACHIEVEMENT	-	-	-	-	-	-	447,036
7072	HOLIDAY PAY, MISC & SAFETY	-	-	-	-	-	-	784,465
7085	UNEMPLOYMENT & TERMINATION PAY	-	-	-	-	-	-	-
7088	PAID FLEX/SPILLOVER PAY	-	-	-	-	-	-	-
7100	COUNCIL ALLOWANCES	93,599	-	-	-	-	-	-
7210	HEALTH/DENTAL/VISION	61,362	26,298	170,937	78,894	43,830	455,832	1,760,628
7224	RETIREE INS RESERVE	2,521	840	4,980	2,280	1,320	12,599	57,235
7225	RETIREE INSURANCE	11,106	3,702	21,947	10,048	5,817	55,528	252,257
7250	SALARY SAVINGS/REIMBURSEMENT	-	-	-	-	-	-	(85,000)
7251	RETIREE INSURANCE	-	-	-	-	-	-	-
7270	OTHER MISC BENEFITS	-	-	-	-	-	-	-
7290	LIFE INSURANCE	80	342	2,120	974	552	5,702	26,500
7295	EMPLOYEE ASSISTANCE	-	76	491	227	126	1,310	5,998
7370	WORKERS' COMP, MISC & SAFETY	-	3,524	37,957	6,368	9,550	88,609	82,890
7370	WORKERS' COMP, MISC & SAFETY	-	-	-	-	-	-	1,072,348
7373	COMPENSATED ABSENCES	-	6,823	43,798	20,004	15,046	102,171	515,168
7425	MEDICARE FRINGES	1,357	3,298	21,869	9,660	8,599	43,906	200,537
7438	LIUNA CONTRIBUTION	-	3,412	19,348	9,971	7,541	50,301	3,228
7439	PERS EMPLOYEE CNTRBN-MISC	-	17,377	114,072	50,893	38,317	267,820	431,490
7440	PER EMPLOYER CNTRBN-MISC	-	23,522	154,400	68,893	51,868	362,542	583,515
7441	PERS EMPLOYER CNTRBN-SAFE	-	-	-	-	-	-	3,879,318
7442	PERS EMPLOYEE CNTRBN-SAFE	-	-	-	-	-	-	1,311,536
7460	RETIREMENT PART TIME/TEMP	3,510	-	6,246	-	3,432	2,432	8,909
	SUBTOTAL SALARY & BENEFITS	273,535	317,779	2,284,919	926,476	779,040	5,079,583	30,370,513
8010	ADVERT & PUB RELATIONS	4,000	10,000	-	39,000	-	-	16,385
8020	AUTOMOTIVE SERVICE	-	-	3,550	-	-	2,350	219,353
8022	EQUIPMENT MAINTENANCE	-	-	16,395	-	-	18,397	32,793
8024	EQUIPMENT REPLACEMENT	-	-	18,135	-	-	18,515	603,570
8030	MAINT & REPAIR - EQUIP	150	2,139	14,916	1,982	1,250	395,369	78,958
8040	MAINT & REPAIR - FACILITIES	-	-	36,000	8,000	-	-	199,613
8050	PSTGE,FREIGHT,EXPRESS NOC	1,000	3,500	10,800	11,500	3,200	42,250	55,161
8060	PUBLICATIONS & DUES NOC	30,000	650	10,140	3,000	2,050	8,800	22,232
8070	RENTAL/PROP & EQUIP NOC	-	-	5,700	-	-	3,780	238,005
8080	SERVICES-PROF & TECH NOC	634,000	8,400	884,517	222,000	160,000	158,876	583,524
80802	SERVICES-OTHER SPECIAL	-	-	-	-	-	-	-
80805	SERVICES-TREE RELATED	-	-	-	-	-	-	-
8081	SERVICES-JANITORIAL	-	-	11,300	-	-	-	77,169
8091	SERVICES-COMPUTER CONSULT	-	-	-	-	-	-	45,020
8100	TRAVEL & MEETINGS NOC	9,000	4,100	12,550	6,500	2,000	16,750	9,770
8105	TRAINING	3,000	-	5,000	10,000	3,150	25,500	142,233
8106	TRAINING, POST	-	-	-	-	-	-	94,750
8107	TRAINING, CITY WIDE	-	-	-	64,000	-	-	-
8110	UTILITIES NOC	-	-	-	-	-	-	-
8112	UTILITIES - TELEPHONE	-	960	60,700	2,660	2,400	164,740	130,723
8114	UTILITIES - NATURAL GAS	-	-	-	-	-	-	3,800
8116	UTILITIES - ELECTRICITY	-	-	-	-	-	-	126,500
8117	UTILITIES-ELCTRIC VEH PGM	-	-	-	-	-	-	-
8118	UTILITIES - WATER	-	-	500	-	-	-	4,000
8140	SUPPLIES- OFFICE NOC	4,000	7,000	16,000	14,018	6,000	61,866	48,569
8142	SUPPLIES- COMPUTER/COPY MACHINE	-	-	-	-	-	12,175	41,500
8145	SUPPLIES-AUTO PARTS EXPNS	-	-	-	-	-	-	107,000
8148	SUPPLS-CHKS/INVOICES/FRMS	-	-	-	-	-	7,800	-
8150	SUPPLIES- JANITORIAL NOC	-	-	1,500	-	-	100	13,000
8155	WASTEWATER/SEWER PROGRAMS	-	-	-	-	-	-	-
8156	WELLS & STATION MAINTENANCE	-	-	-	-	-	-	-
8160	MAINT & REPAIR MATRLS NOC	-	600	6,468	-	-	4,500	5,000
8165	MAINT - IRRIGATION REPAIR	-	-	-	-	-	-	-
8166	MAINT - STORM DRAINS	-	-	-	-	-	-	-
8170	MAINT - BEACH CLEANING	-	-	-	-	-	-	-

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
757,739	1,257,211	2,042,623	5,568,874	2,090,018	1,215,720	2,569,794	3,187,560	802,790	-	30,825,243
10,052,243	-	-	-	-	-	-	-	-	-	22,151,207
1,056,253	-	85,311	11,372	842,219	472,259	59,043	249,642	-	-	3,996,527
-	45,500	43,031	390,915	8,044	2,695	5,928	119,800	16,291	-	900,124
-	-	-	-	-	-	-	-	-	-	885,616
462,447	-	-	-	-	-	-	-	-	-	462,447
1,321,232	-	-	-	-	-	-	-	-	-	1,321,232
789,133	-	-	-	-	-	-	-	-	-	789,133
68,681	-	-	78,724	-	-	-	80,200	1,013	-	228,618
21,689	-	-	-	-	-	-	-	-	-	46,289
-	150	-	-	9,242	475	-	2,325	-	-	66,639
152,177	-	-	14,050	-	-	-	25,700	6,500	-	253,449
291,156	-	-	-	-	-	-	-	-	-	738,192
291,721	-	-	-	-	-	-	-	-	-	1,076,186
-	-	-	-	-	-	-	-	825,000	-	825,000
-	-	-	-	-	-	-	-	375,000	-	375,000
-	-	-	-	-	-	-	-	-	-	93,599
1,102,302	166,554	254,214	964,260	341,874	210,384	289,278	460,215	131,490	-	6,518,352
35,397	4,680	7,080	26,518	9,479	5,880	8,039	13,019	3,600	-	195,467
156,008	20,625	31,202	116,874	41,778	25,913	35,432	57,379	15,865	-	861,481
-	-	(8,500)	-	-	-	-	-	-	109,721	16,221
-	-	-	-	-	-	-	-	1,276,355	-	1,276,355
35,300	-	-	-	-	-	-	-	-	-	35,300
16,505	2,072	3,260	11,316	4,031	2,337	3,737	5,876	1,587	-	86,991
3,704	479	731	2,772	983	605	832	1,323	378	-	20,035
23,449	24,713	49,139	590,560	61,170	50,917	69,074	286,394	84,373	-	1,468,687
658,386	-	-	-	-	-	-	-	-	-	1,730,734
322,116	37,716	61,279	167,066	62,701	36,472	77,094	95,627	24,084	-	1,587,165
106,545	15,229	24,684	56,977	38,231	23,067	30,759	30,832	9,042	-	624,592
11,430	18,624	30,630	15,200	29,891	13,844	35,981	10,816	2,047	-	262,264
60,209	96,031	160,354	421,001	185,278	105,729	196,156	256,139	60,672	-	2,461,538
81,504	129,995	217,068	565,883	250,801	143,086	265,516	346,498	82,062	-	3,327,153
3,173,019	-	-	-	-	-	-	-	-	-	7,052,337
1,072,620	-	-	-	-	-	-	-	-	-	2,384,156
37,030	-	1,055	426	20,177	11,168	2,214	3,441	-	-	100,040
22,159,995	1,819,579	3,003,161	9,002,786	3,995,917	2,320,550	3,648,877	5,232,786	3,718,149	109,721	95,043,365
24,500	8,000	-	1,000	20,000	-	-	4,000	-	14,460	141,345
90,444	500	8,000	195,800	2,000	27,500	8,000	58,500	7,500	1,000	624,497
401,973	3,309	32,322	938,087	3,417	45,563	46,751	310,529	22,647	-	1,872,183
809,292	1,830	35,411	1,006,187	2,423	54,510	36,370	387,215	16,203	8,347	2,998,008
115,831	5,390	33,100	138,309	77,130	6,477	249,510	7,450	3,725	-	1,131,686
279,941	-	-	59,500	51,900	70,000	-	119,950	-	-	824,904
23,120	12,000	3,400	1,500	14,000	37,448	4,050	50,000	-	-	272,929
24,278	12,000	4,450	1,250	3,810	4,165	8,350	6,550	1,500	-	143,225
89,340	-	500	22,400	31,200	99,000	-	6,200	-	10,279	506,404
135,040	144,000	102,000	3,703,691	31,920	1,120,629	116,560	246,800	30,000	800	8,282,757
275,033	-	-	80,000	-	-	-	-	-	-	355,033
-	-	-	130,000	-	-	-	85,000	-	-	215,000
8,721	-	-	200,000	67,180	75,700	-	1,500	-	-	441,570
-	-	-	-	-	-	-	-	-	-	45,020
63,120	8,000	5,600	4,050	9,050	6,250	8,000	5,250	4,275	-	174,265
47,432	6,500	17,500	4,300	2,900	17,450	11,000	18,700	5,000	25,800	345,465
-	-	-	-	-	-	-	-	-	-	94,750
-	-	-	-	-	-	-	-	-	-	64,000
90,860	-	-	-	11,750	500	-	1,558,500	-	-	1,661,610
53,000	750	11,045	18,500	8,050	10,860	11,000	29,800	3,000	-	508,188
-	-	-	14,000	2,730	7,100	-	-	2,500	-	30,130
-	-	-	150,500	142,900	62,000	-	-	19,000	-	500,900
-	-	-	-	-	-	-	-	7,000	-	7,000
8,300	-	-	626,000	12,954	22,303	-	28,000	-	-	702,057
27,500	8,110	12,100	6,400	33,570	26,448	20,000	5,600	1,000	-	298,181
56,666	-	-	-	-	-	-	-	-	-	110,341
-	-	-	-	-	-	-	-	346,500	-	453,500
10,750	-	-	-	-	-	-	-	-	-	18,550
18,500	-	-	51,350	14,850	19,578	-	1,500	-	-	120,378
-	-	-	-	-	-	-	148,000	-	-	148,000
-	-	-	-	-	-	-	189,000	-	-	189,000
27,820	1,500	-	30,000	9,850	5,966	2,000	400,000	-	-	493,704
-	-	-	24,000	-	-	-	-	-	-	24,000
-	-	-	37,000	-	-	-	-	-	-	37,000
-	-	-	16,000	-	-	-	-	-	-	16,000

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
8173	MAINT-BLDG/PLYGRND EQ RPR	-	-	-	-	-	-	-
8176	MAINT - TRAFFIC CONTROL	-	-	-	-	-	-	-
8178	ABLE - JPA MAINT REIMBURSEMENT	-	-	-	-	-	-	508,438
8179	ABLE - CAPITAL REPLACEMENT	-	-	-	-	-	-	270,127
8180	MAINT - OUTSIDE LABOR	-	-	-	-	-	-	-
8181	MAINT-COMP SOFTWARE	-	-	-	-	-	-	230,224
8182	MAINT-COMP HARDWARE	-	-	-	-	-	-	25,845
8183	MAINT-BACKFLOW & SCADA	-	-	-	-	-	-	-
8190	WATER PROGRAMS	-	-	-	-	-	-	-
8200	SPECIAL DEPT SUPPLIES NOC	2,000	-	9,530	-	16,275	57,500	101,889
8202	COMPUTER SUPPLIES	-	-	1,500	-	-	-	-
8204	UNIFORM EXPENSE	-	-	-	-	-	1,380	120,000
8206	PRISONER CUSTODY EXPENSE	-	-	-	-	-	-	61,000
8208	PHOTO EXPENSE	-	-	-	-	-	-	20,000
8209	SHOOTING RANGE SUPPLIES	-	-	-	-	-	-	40,525
8210	S.W.A.T. SUPPLIES	-	-	-	-	-	-	12,443
8211	CANINE SUPPLIES	-	-	-	-	-	-	12,590
8212	STREET CLEANING EXPENSE	-	-	-	-	-	-	-
8214	CARPENTER SHOP SUPPLIES	-	-	-	-	-	-	-
8216	SAFETY EQUIPMENT	-	-	-	-	-	500	-
8220	SIGN SHOP SUPPLIES	-	-	-	-	-	-	-
8222	TRAFFIC SUPPLIES	-	-	-	-	-	-	-
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	-	-	3,000	4,500
8250	SPECIAL DEPT EXPENSE NOC	777,800	-	-	2,000	-	1,938	78,000
8254	CITY GRANTS	25,000	-	-	-	-	-	-
8255	TUITION REIMBURSEMENT	-	-	-	30,000	-	-	-
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	-	-	-	-	-	-	-
8293	GENERAL PLAN UPDATE & LCP CERT	-	-	-	-	-	-	-
8298	OTHER AGENCY FEES	-	-	-	-	-	-	-
8303	WATER CNSERV EDU & PUB REL	-	-	-	-	-	-	-
8330	SVC CHARGE-ADMINISTRATIVE	-	-	-	-	-	-	-
8340	GENERAL INSURANCE	175	360	1,009	-	676	7,434	805,434
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	1,510,125	37,709	1,127,009	414,660	197,001	1,013,520	5,189,642
9000	OFFICE EQUIPMENT	-	-	15,000	8,000	3,000	152,359	-
9010	COMPUTER EQUIPMENT	-	-	6,700	-	-	256,000	283,372
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	-	-	-	-
9400	OFFICE FURNITURE/FIXTURES	7,000	-	-	-	-	2,100	-
	SUBTOTAL CAPITAL OUTLAY	7,000	-	40,700	8,000	3,000	412,959	288,372
	TOTAL OPERATING EXPENSES	1,790,660	355,488	3,452,628	1,349,136	979,041	6,506,062	35,848,527
	CAPITAL IMPROVEMENT PROJECTS							
	DEBT SERVICE							
	TOTAL	1,790,660	355,488	3,452,627	1,349,136	979,041	6,506,061	35,848,528

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
-	-	-	15,000	-	-	-	-	-	-	15,000
-	-	-	5,500	-	-	-	-	-	-	5,500
-	-	-	-	-	-	-	-	-	-	508,438
-	-	-	-	-	-	-	-	-	-	270,127
-	-	-	-	-	-	-	-	63,500	-	63,500
-	-	-	-	3,750	-	-	-	-	-	233,974
-	-	-	-	-	-	-	-	-	-	25,845
-	-	-	-	-	-	-	67,000	-	-	67,000
-	-	-	-	-	-	-	310,000	-	-	310,000
303,080	5,500	9,400	30,000	56,110	150,285	15,117	240,100	40,000	-	1,036,786
-	-	-	-	45,394	-	-	-	-	-	46,894
162,564	-	-	46,300	-	540	1,000	11,900	-	-	343,684
-	-	-	-	-	-	-	-	-	-	61,000
-	-	-	-	-	-	-	-	-	-	20,000
-	-	-	-	-	-	-	-	-	-	40,525
-	-	-	-	-	-	-	-	-	-	12,443
-	-	-	-	-	-	-	-	-	-	12,590
-	-	-	33,000	-	-	-	-	-	-	33,000
-	-	-	3,000	-	-	-	-	-	-	3,000
-	-	-	4,000	-	-	-	-	-	-	4,500
-	-	-	16,000	-	-	-	-	-	-	16,000
-	-	-	10,000	-	-	-	-	-	-	10,000
-	-	-	15,700	-	-	-	-	-	-	15,700
-	-	-	35,000	-	-	-	-	-	-	35,000
-	-	-	19,500	-	-	-	-	-	-	19,500
-	-	-	4,000	-	-	-	-	-	-	4,000
-	-	-	6,000	-	-	-	-	-	-	6,000
-	-	-	9,500	-	-	-	-	-	-	9,500
-	-	-	467,000	-	-	-	-	-	-	467,000
800	500	1,000	11,350	-	-	1,250	8,700	6,000	-	37,900
87,718	150,080	-	1,890,800	-	93,500	-	121,000	2,000	21,000	3,225,836
-	-	-	-	40,000	-	-	-	-	-	65,000
-	-	-	-	-	-	-	-	-	-	30,000
-	-	-	-	21,500	-	-	-	-	-	21,500
-	-	-	-	-	-	-	-	-	6,625	6,625
-	-	-	-	597,740	-	-	-	-	-	597,740
-	-	-	-	-	-	-	-	-	-	20,000
-	-	-	-	-	-	-	3,800,000	-	-	3,800,000
-	-	-	-	-	-	-	2,800,000	-	-	2,800,000
-	-	-	-	-	-	-	80,000	-	-	80,000
-	94,000	-	-	-	-	-	-	-	-	94,000
461,094	-	-	-	-	-	-	185,000	-	20,540	666,634
-	-	-	-	-	-	-	35,000	-	-	35,000
-	-	-	-	-	-	-	1,759,490	-	-	1,759,490
119,383	11,838	4,079	406,539	2,841	34,313	191,080	201,204	42,332	-	1,828,697
-	-	-	-	-	-	-	-	-	6,600	6,600
-	-	-	-	-	-	-	-	-	8,500	8,500
-	176,858	-	-	-	-	-	-	-	-	176,858
-	-	-	-	-	-	-	-	-	90,000	90,000
-	-	-	-	-	-	-	-	2,420,075	-	2,420,075
-	-	-	-	-	-	-	-	2,619,108	-	2,619,108
3,816,101	650,665	279,907	10,488,013	1,320,919	1,998,085	730,038	13,287,438	5,662,866	213,951	47,937,650
-	25,500	-	-	111,100	5,500	18,400	3,000	-	-	341,859
17,200	41,500	18,500	15,500	-	7,500	-	13,000	2,200	33,964	653,936
10,500	-	-	-	-	-	-	-	-	-	15,500
-	-	-	-	-	-	-	-	2,065,500	-	2,065,500
-	-	-	-	-	-	-	-	69,615	-	69,615
-	-	-	-	-	-	-	-	200,000	-	200,000
-	-	-	-	-	-	-	2,000	10,000	-	14,500
159,684	-	-	16,600	-	2,000	-	33,650	36,500	104,724	372,158
-	16,000	8,000	-	-	-	7,200	1,000	-	-	41,300
187,384	41,500	26,500	32,100	111,100	15,000	25,600	52,650	2,383,815	138,688	3,774,368
26,163,480	2,511,744	3,309,568	19,522,899	5,427,936	4,333,635	4,404,515	18,572,874	11,764,830	462,360	146,755,383
-	-	-	-	-	-	-	-	-	42,819,296	42,819,296
-	-	-	-	-	-	-	-	-	4,097,520	4,097,520
26,163,481	2,511,744	3,309,568	19,522,899	5,427,937	4,333,635	4,404,515	18,572,876	11,764,830	47,379,176	193,672,199

SUMMARY OF ESTIMATED 2004-05 YEAR END FUND BALANCES

Fund / Account	Actual	Estimated	Transfers		Estimated	Estimated	Estimated
	Fund Balance 2003-04	Revenue 2004-05	In	Out	Budget Expenditures 2004-05	Capital Improvements 2004-05	Year End Fund Balance 2004-05
General Fund	-	117,673,450	9,527,170	6,697,209	114,598,941	5,904,471	-
Contingency Reserve	11,899,427	-	3,524,866	-	-	-	15,424,293
Stabilization Reserve	2,379,885	-	-	2,379,885	-	-	-
Actual Fair Market Value Adj.	-	-	-	-	-	-	-
Future Fair Market Value Adj.	1,000,000	-	-	-	-	-	1,000,000
Appropriations Reserve (operating)	4,796,302	-	300,632	2,000,000	-	-	3,096,934
Appropriations Reserve (capital)	2,266,169	-	1,402,100	2,266,169	-	-	1,402,100
Reserve for Inventories	178,630	-	-	-	-	-	178,630
Reserve for Prepaid Items	256,947	-	-	-	-	-	256,947
Reserve for Encumbrances	3,527,179	-	-	3,527,179	-	-	-
Unrealized Events Impacting Budget	-	-	-	-	-	-	-
Affordable Housing Reserve	2,665,823	-	-	-	-	1,280,000	1,385,823
Reserve for Long term receivable	50,000	-	-	-	-	-	50,000
Paramedic Program (Hoag)	223,551	-	84,061	-	-	-	307,612
Recreation Instruction Reserve	147,244	-	28,000	-	-	-	175,244
Senior Citizen Site	16,064	-	2,500	-	-	-	18,564
Park In Lieu Fees	1,305,647	-	-	-	-	1,305,647	-
Off Street Parking	66,749	-	7,000	-	-	-	73,749
In Lieu Parking Fees	232,469	-	72,000	-	-	-	304,469
Neighborhood Enhancement Res. A	93,756	-	28,000	-	-	-	121,756
Neighborhood Enhancement Res. B	701,097	-	300,000	74,999	-	99,976	826,122
Oceanfront Encroachment	637,441	-	-	-	-	-	637,441
Reserve for Capital Improvement	3,000,000	-	6,000,000	-	-	-	9,000,000
Reserve for PERS Rate	9,000,000	-	-	4,000,000	-	-	5,000,000
	44,444,380	117,673,450	21,276,329	20,945,441	114,598,941	8,590,094	39,259,684
Ackerman Donation Fund	-	-	-	-	-	-	-
Appropriations Reserve	-	19,400	-	9,400	10,000	-	-
Appropriations Reserve - Scholarship	186,846	-	-	-	-	-	186,846
Appropriations Reserve - Hi Tech	95,460	-	9,400	-	95,460	-	9,400
Perm Scholarship Endowment Reserve	194,415	-	-	-	-	-	194,415
Perm Equipment Endowment Reserve	583,245	-	-	-	-	-	583,245
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrance	-	-	-	-	-	-	-
CDBG Fund	-	-	-	-	-	-	-
Appropriations Reserve	37,436	426,000	10,154	31,500	333,562	60,712	47,816
Reserve for Encumbrance	10,154	-	-	10,154	-	-	-
AQMD Fund	-	-	-	-	-	-	-
Appropriations Reserve	-	136,000	-	-	96,003	-	39,997
Reserve for Encumbrance	-	-	-	-	-	-	-
Asset Forfeiture Fund	-	-	-	-	-	-	-
Appropriations Reserve	97,432	220,230	37,376	-	156,805	-	198,233
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	37,376	-	-	37,376	-	-	-
SLESF - COPS Fund	-	120,000	-	-	119,411	-	589
Local Law Enforcement Block Grant	-	-	-	-	-	-	-
Appropriations Reserve	-	24,500	-	-	24,500	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
State Gas Tax Fund	-	-	-	-	-	-	-
Appropriations Reserve	2,202,746	1,549,250	1,400,242	160,000	-	2,281,175	2,711,063
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	1,400,242	-	-	1,400,242	-	-	-
Traffic Congestion Relief Fund	-	-	-	-	-	-	-
Appropriations Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Measure M Fund	-	-	-	-	-	-	-
Turnback	1,118,483	1,203,899	839,774	-	-	2,079,774	1,082,382
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Turnback Encumbrances	839,774	-	-	839,774	-	-	-
Competitive	(156,421)	548,000	220,248	-	-	891,430	(279,603)
Competitive Encumbrances	220,248	-	-	220,248	-	-	-

SUMMARY OF ESTIMATED 2004-05 YEAR END FUND BALANCES

Fund / Account	Actual	Estimated	Transfers		Estimated	Estimated	Estimated
	Fund Balance 2003-04	Revenue 2004-05	In	Out	Budget Expenditures 2004-05	Capital Improvements 2004-05	Year End Fund Balance 2004-05
Bikes & Trailways SB821							
Appropriation Reserve	56,459	-	-	56,459	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
AHRP Fund							
Appropriations Reserve	6,450	-	-	-	-	18,520	(12,070)
Reserve for Encumbrances	-	-	-	-	-	-	-
Tide and Submerged Land Fund							
Appropriation Reserve	-	6,958,253	340,208	3,154,822	1,780,948	1,448,013	914,678
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	340,208	-	-	340,208	-	-	-
Upper Bay Reserve	40,328	-	75,000	-	-	-	115,328
Oil and Gas	80,000	-	40,000	-	-	-	120,000
Contributions Fund							
Appropriations Reserve	(956,689)	1,341,025	188,971	-	-	3,095,072	(2,521,765)
Reserve for Encumbrances	-	-	-	-	-	-	-
Circulation and Transportation Fund							
Appropriations Reserve	4,310,303	325,000	-	-	-	1,735,052	2,900,251
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Building Excise Tax Fund							
Appropriations Reserve	281,871	157,000	53,290	-	-	238,377	253,784
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	53,290	-	-	53,290	-	-	-
Environmental Liability Fund							
Appropriation Reserve	1,931,717	410,000	3,699	-	154,389	-	2,191,027
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	3,699	-	-	3,699	-	-	-
Oil Spill Remediation Fund							
Appropriation Reserve	871,206	-	75,048	-	-	111,882	834,372
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	75,048	-	-	75,048	-	-	-
Newport Annexation Funds							
Receipt Fund	10,600,000	200,000	-	1,377,500	-	-	9,422,500
Fair Value Adj. Reserve-Receipt	-	-	-	-	-	-	-
Allocation Fund	-	-	1,200,000	-	1,200,000	-	-
Fair Value Adj. Reserve-Allocation	-	-	-	-	-	-	-
Building Fund	6,578,391	215,000	575,000	-	-	575,000	6,793,391
Fair Value Adj. Reserve-Building	-	-	-	-	-	-	-
Reserve for Encumbrances-Building	575,000	-	-	575,000	-	-	-
Library Debt Service Fund							
Appropriation Reserve	-	-	567,935	-	567,935	-	-
Reserve for Debt Service	566,317	-	-	-	-	-	566,317
Assessment District Projects							
Appropriation Reserve	(171,619)	14,792,480	-	-	-	15,982,849	(1,361,988)
Reserve for Encumbrances	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Civic Center/ Fire Station Construction							
Appropriation Reserve	-	-	-	-	-	600,685	(600,685)
Reserve for Encumbrances	-	-	-	-	-	-	-
CIOSA Fund							
Appropriation Reserve	4,434,341	112,500	-	-	-	-	4,546,841
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Bonita Canyon Development Fund							
Appropriation Reserve	927,235	-	-	-	-	366,612	560,623
Reserve for Encumbrances	-	-	-	-	-	-	-

SUMMARY OF ESTIMATED 2004-05 YEAR END FUND BALANCES

Fund / Account	Actual	Estimated	Transfers		Estimated	Estimated	Estimated
	Fund Balance 2003-04	Revenue 2004-05	In	Out	Budget Expenditures 2004-05	Capital Improvements 2004-05	Year End Fund Balance 2004-05
Mariners Library Fund							
Appropriation Reserve	824,438	500,000	1,552,016	-	-	4,343,849	(1,467,395)
Reserve for Encumbrances	142,016	-	-	142,016	-	-	-
Fire Station #7 Fund							
Appropriation Reserve	592,000	2,500,000	1,350,000	-	-	4,586,402	(144,402)
Reserve for Encumbrances	-	-	-	-	-	-	-
Marine Science Center Fund							
Appropriation Reserve	-	-	-	132,512	-	69,999	-
Reserve for Encumbrances	-	209,848	-	-	-	-	7,337
Newport Bay Dredging Fund							
Permanent Endowment	3,000	3,800,000	-	-	-	-	3,803,000
Appropriation Reserve	165	23,750	-	-	-	-	23,915
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Insurance Reserve Fund							
Workers' Compensation Reserve	6,002,087	3,288,171	-	-	4,366,625	-	4,923,633
Liability Reserve	2,000,000	1,917,447	-	-	1,862,346	-	2,055,101
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Retiree Medical Fund							
Current Contributions	-	1,416,845	-	-	1,199,235	-	217,610
Sinking Fund	2,152,257	310,562	-	-	-	-	2,462,819
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Compensated Absence Fund							
Appropriation Reserve	1,559,038	1,610,835	-	-	918,644	-	2,251,229
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Equipment Fund							
Equipment Maintenance	-	1,828,178	714,580	264,257	1,621,122	441,897	215,482
Equipment Replacement	7,487,858	3,245,038	139,257	624,098	2,525,744	-	7,722,311
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	215,482	-	-	215,482	-	-	-
Water Enterprise Fund							
Water System Reserve	4,602,048	-	749,722	-	-	-	5,351,770
Stabilization Reserve	3,287,177	-	535,516	-	-	-	3,822,693
Future Infrastructure Reserve	6,145,765	-	-	4,825,127	-	-	1,320,638
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	4,172,335	-	-	4,172,335	-	-	-
	<u>18,207,325</u>	<u>18,485,808</u>	<u>10,282,699</u>	<u>10,282,699</u>	<u>15,290,770</u>	<u>8,633,717</u>	<u>12,768,646</u>
Wastewater Enterprise Fund							
Wastewater System Reserve	1,457,540	-	97,255	-	-	-	1,554,795
Stabilization Reserve	520,550	-	21,223	-	-	-	541,773
Future Infrastructure Reserve	1,240,219	-	-	1,240,219	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	298,326	-	-	298,326	-	-	-
	<u>3,516,635</u>	<u>2,970,000</u>	<u>1,538,545</u>	<u>1,538,545</u>	<u>2,221,135</u>	<u>2,127,490</u>	<u>2,138,010</u>
TOTAL	<u>124,617,672</u>	<u>188,538,469</u>	<u>42,489,770</u>	<u>42,489,770</u>	<u>149,143,575</u>	<u>58,278,601</u>	<u>105,733,966</u>

SUMMARY OF ESTIMATED 2005-06 YEAR END FUND BALANCES

Fund / Account	Unaudited	Estimated	Transfers		Estimated	Estimated	Estimated
	Fund Balance 2004-05	Revenue 2005-06	In	Out	Budget Expenditures 2005-06	Capital Improvements 2005-06	Year End Fund Balance 2005-06
General Fund	-	119,680,111	15,379,874	3,679,319	119,477,157	11,903,509	-
Contingency Reserve	15,424,293	-	-	124,455	-	-	15,299,838
Stabilization Reserve	-	-	-	-	-	-	-
Actual Fair Market Value Adj.	-	-	-	-	-	-	-
Future Fair Market Value Adj.	-	-	-	-	-	-	-
Appropriations Reserve (operating)	5,511,861	-	1,134,629	1,000,000	-	-	5,646,490
Appropriations Reserve (capital)	1,402,100	-	-	1,402,100	-	-	-
Reserve for Inventories	213,352	-	-	-	-	-	213,352
Reserve for Prepaid Items	426,924	-	-	-	-	-	426,924
Reserve for Encumbrances	2,432,061	-	-	2,432,061	-	-	-
Unrealized Events Impacting Budget	2,751,901	-	-	2,751,901	-	-	-
Affordable Housing Reserve	1,329,420	-	-	-	-	-	1,329,420
Reserve for Long term receivables	50,000	-	-	-	-	-	50,000
Paramedic Program (Hoag)	306,163	-	-	57,612	-	-	248,551
Recreation Instruction Reserve	162,692	-	28,000	-	-	-	190,692
Senior Citizen Site	18,139	-	2,500	-	-	-	20,639
Park In Lieu Fees	1,435,974	-	68,940	-	-	285,000	1,219,914
Off Street Parking	74,887	-	7,000	-	-	-	81,887
In Lieu Parking Fees	295,489	-	40,000	-	-	-	335,489
Neighborhood Enhancement Res. A	125,786	-	28,000	-	-	-	153,786
Neighborhood Enhancement Res. B	837,357	-	300,000	75,000	-	286,013	776,344
Oceanfront Encroachment	804,898	-	-	-	-	299,139	505,759
Reserve for Capital Improvement	14,300,000	-	1,000,000	5,300,000	-	-	10,000,000
Reserve for PERS Rate Changes	5,000,000	-	-	-	-	-	5,000,000
	52,903,297	119,680,111	17,988,943	16,822,448	119,477,157	12,773,661	41,499,085
Ackerman Donation Fund							
Appropriations Reserve	-	-	-	-	-	-	-
Appropriations Reserve - Scholarship	182,368	6,675	-	-	6,600	-	182,442
Appropriations Reserve - Hi Tech	9,482	20,024	-	-	8,500	-	21,005
Perm Scholarship Endowment Reserv	199,389	-	-	-	-	-	199,389
Perm Equipment Endowment Reserve	598,166	-	-	-	-	-	598,166
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrance	-	-	-	-	-	-	-
CDBG Fund							
Appropriations Reserve	177,342	426,000	56,150	15,450	366,372	795,438	(517,768)
Reserve for Encumbrance	56,150	-	-	56,150	-	-	-
AQMD Fund							
Appropriations Reserve	95,606	137,167	-	-	26,415	-	206,358
Reserve for Encumbrance	-	-	-	-	-	-	-
Asset Forfeiture Fund							
Appropriations Reserve	85,601	105,000	48,290	-	200,595	-	38,296
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	48,291	-	-	48,291	-	-	-
SLESF - COPS Fund							
-	-	121,382	-	-	120,000	-	1,382
Local Law Enforcement Block Grant							
Appropriations Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
State Gas Tax Fund							
Appropriations Reserve	2,570,675	1,758,746	782,955	160,000	-	4,309,901	642,475
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	782,955	-	-	782,955	-	-	-
Traffic Congestion Relief Fund							
Appropriations Reserve	-	1,056	-	-	-	-	1,056
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Measure M Fund							
Turnback	1,374,120	1,778,117	1,234,944	-	-	3,255,669	1,131,512
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Turnback Encumbrances	1,234,944	-	-	1,234,944	-	-	-
Competitive	(535,313)	-	534,023	-	-	534,023	(535,313)
Competitive Encumbrances	534,023	-	-	534,023	-	-	-

SUMMARY OF ESTIMATED 2005-06 YEAR END FUND BALANCES

Fund / Account	Unaudited Fund Balance 2004-05	Estimated Revenue 2005-06	Transfers In	Transfers Out	Estimated Budget Expenditures 2005-06	Estimated Capital Improvements 2005-06	Estimated Year End Fund Balance 2005-06
Bikes & Trailways SB821							
Appropriation Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
AHRP Fund							
Appropriations Reserve	6,450	1,102,070	-	-	-	1,090,000	18,520
Reserve for Encumbrances	-	-	-	-	-	-	-
Tide and Submerged Land Fund							
Appropriation Reserve	58,487	7,046,201	-	2,646,294	2,532,925	1,925,469	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Upper Bay Reserve	74,174	-	75,000	-	-	-	149,174
Oil and Gas	120,000	-	40,000	-	-	-	160,000
Contributions Fund							
Appropriations Reserve	1,042,148	1,358,324	1,155,638	-	-	6,869,505	(3,313,395)
Reserve for Encumbrances	1,155,638	-	-	1,155,638	-	-	-
Circulation and Transportation Fund							
Appropriations Reserve	2,831,040	311,717	1,184,963	80,000	-	3,651,861	595,859
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	1,184,963	-	-	1,184,963	-	-	-
Building Excise Tax Fund							
Appropriations Reserve	392,154	159,356	-	-	-	421,636	129,874
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Environmental Liability Fund							
Appropriation Reserve	1,868,669	419,590	-	-	90,000	635,000	1,563,259
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Oil Spill Remediation Fund							
Appropriation Reserve	854,267	23,342	56,063	-	-	900,909	32,763
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	56,063	-	-	56,063	-	-	-
Newport Annexation Funds							
Receipt Fund	9,504,097	3,250,000	-	1,400,000	-	-	11,354,097
Fair Value Adj. Reserve-Receipt	-	-	-	-	-	-	-
Allocation Fund	-	-	1,200,000	-	1,200,000	-	-
Fair Value Adj. Reserve-Allocation	-	-	-	-	-	-	-
Building Fund	6,697,482	176,756	218,037	-	-	7,004,037	88,238
Fair Value Adj. Reserve-Building	-	-	-	-	-	-	-
Reserve for Encumbrances-Building	218,037	-	-	218,037	-	-	-
Library Debt Service Fund							
Appropriation Reserve	-	-	570,250	-	570,250	-	-
Reserve for Debt Service	568,240	-	-	-	-	-	568,240
Assessment District Projects							
Appropriation Reserve	1,807,368	13,724	478,992	-	-	604,592	1,695,492
Reserve for Encumbrances	478,992	-	-	478,992	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Civic Center/ Fire Station Construction							
Appropriation Reserve	(144,309)	-	365,411	-	-	365,411	(144,309)
Reserve for Encumbrances	365,411	-	-	365,411	-	-	-
CIOSA Fund							
Appropriation Reserve	2,428,488	100,455	-	-	-	1,080,000	1,448,943
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Bonita Canyon Development Fund							
Appropriation Reserve	78,226	-	-	-	-	75,457	2,769
Reserve for Encumbrances	-	-	-	-	-	-	-

SUMMARY OF ESTIMATED 2005-06 YEAR END FUND BALANCES

Fund / Account	Unaudited Fund Balance 2004-05	Estimated Revenue 2005-06	Transfers In	Transfers Out	Estimated Budget Expenditures 2005-06	Estimated Capital Improvements 2005-06	Estimated Year End Fund Balance 2005-06
Mariners Library Fund							
Appropriation Reserve	(2,203,158)	2,397,119	3,342,406	-	-	3,987,406	(451,039)
Reserve for Encumbrances	3,342,406	-	-	3,342,406	-	-	-
Fire Station #7							
Appropriation Reserve	(172,277)	1,600,000	1,697,901	-	-	3,053,499	72,125
Reserve for Encumbrances	197,901	-	-	197,901	-	-	-
Marine Science Center							
Appropriation Reserve	5,461	-	-	-	-	45,444	5,461
Reserve for Encumbrances	45,444	-	45,444	45,444	-	-	-
Newport Bay Dredging Fund							
Permanent Endowment	3,803,000	-	-	-	-	-	3,803,000
Appropriation Reserve	122,803	48,254	-	-	-	-	171,057
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Insurance Reserve Fund							
Workers' Compensation Reserve	6,788,531	3,272,949	-	-	2,420,075	-	7,641,405
Liability Reserve	306,108	1,902,225	-	-	2,619,108	-	(410,776)
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Retiree Medical Fund							
Current Contributions	(162,900)	1,416,845	-	-	1,276,355	-	(22,410)
Sinking Fund	2,301,788	323,896	-	-	-	-	2,625,684
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Compensated Absence Fund							
Appropriation Reserve	1,165,800	1,618,410	-	1,200,000	1,200,000	-	1,584,210
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Equipment Fund							
Equipment Maintenance	-	1,872,937	-	125,000	1,874,677	56,000	(182,740)
Equipment Replacement	6,437,709	3,355,681	1,739,011	125,000	2,635,936	1,739,011	7,032,454
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	1,739,011	-	-	1,739,011	-	-	-
Water Enterprise Fund							
Water System Reserve	4,911,376	-	752,609	-	-	-	5,663,985
Stabilization Reserve	3,508,126	-	-	1,739,752	-	-	1,768,374
Future Infrastructure Reserve	3,417,359	-	-	3,417,359	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	3,390,180	-	-	3,390,180	-	-	-
	<u>15,227,041</u>	<u>16,951,078</u>	<u>9,299,900</u>	<u>9,299,900</u>	<u>16,182,814</u>	<u>8,562,946</u>	<u>7,432,359</u>
Wastewater Enterprise Fund							
Wastewater System Reserve	1,594,781	-	-	508,872	-	-	1,085,909
Stabilization Reserve	569,565	-	-	569,565	-	-	-
Future Infrastructure Reserve	1,535	-	-	1,535	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	844,970	-	-	844,970	-	-	-
	<u>3,010,851</u>	<u>2,971,460</u>	<u>1,924,942</u>	<u>1,924,942</u>	<u>2,460,432</u>	<u>2,435,970</u>	<u>1,085,909</u>
TOTAL	<u>133,918,699</u>	<u>175,726,665</u>	<u>44,039,263</u>	<u>45,239,263</u>	<u>155,268,211</u>	<u>66,172,845</u>	<u>88,204,308</u>

2005-06 FUND TRANSFERS - ALL FUNDS

General Fund

Transfer In (From General Fund Reserves):

Current Year Operations	\$ 12,143,130
Contingency Reserve	-
Actual Fair Market Value Adj.	-
Appropriations Reserve (operating)	1,134,629

Transfer In (From Current Year Operations):

Appropriations Reserve (capital)	-
Paramedic Program (Hoag)	-
Recreation Instruction Reserve	28,000
Senior Citizen Site	2,500
Park In Lieu Fees	68,940
Off Street Parking	7,000
In Lieu Parking Fees	40,000
Neighborhood Enhancement Res. A	28,000
Neighborhood Enhancement Res. B	300,000
Reserve for Capital Improvement	1,000,000
Reserve for PERS Rate Changes	-

Transfer In (From Other Funds):

Gas Tax Fund	160,000
Tidelands Fund	2,531,294
CDBG Fund	15,450
AQMD Fund	-
Circulation & Transportation Fund	80,000
Equipment Maintenance Fund	125,000
Equipment Replacement Fund	125,000
Newport Annexation Funds	200,000

Total Transfers In **\$ 17,988,943**

General Fund

Transfer Out (To General Fund Reserves):

Current Year Operations	\$ 1,609,069
Contingency Reserve	124,455
Actual Fair Market Value Adj.	-
Appropriations Reserve (operating)	1,000,000

Transfer Out (To Current Year Operations):

Appropriations Reserve (capital)	1,402,100
Encumbrances	2,432,061
Unrealized Events Impacting Budget	2,751,901
Paramedic Program (Hoag)	57,612
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	75,000
Reserve for Capital Improvement	5,300,000

Transfer Out (To Other Funds):

Library Debt Service Fund	570,250
Fire Station # 7	1,500,000

Total Transfers Out **\$ 16,822,448**

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	\$ 56,150
-------------------------	-----------

Total Transfers In **\$ 56,150**

CDBG Fund

Transfer Out (To):

General Fund	\$ 15,450
Appropriation Reserve	56,150

Total Transfers Out **\$ 71,600**

AQMD Fund

Transfer In (From):

	\$ -
--	------

Total Transfers In **\$ -**

AQMD Fund

Transfer Out (To):

General Fund	\$ -
--------------	------

Total Transfers Out **\$ -**

2005-06 FUND TRANSFERS - ALL FUNDS

Asset Forfeiture

Transfer In (From):

Reserve for Encumbrance	\$ 48,290
Total Transfers In	\$ <u>48,290</u>

Asset Forfeiture

Transfer Out (To):

Appropriations Reserve	\$ 48,291
Total Transfers Out	\$ <u>48,291</u>

State Gas Tax Fund

Transfer In (From):

Reserve for Encumbrance	\$ 782,955
Total Transfers In	\$ <u>782,955</u>

State Gas Tax Fund

Transfer Out (To):

General Fund	\$ 160,000
Appropriation Reserve	782,955
Total Transfers Out	\$ <u>942,955</u>

Traffic Congestion Relief Fd.

Transfer In (From):

Fund Balance	\$ -
Total Transfers In	\$ <u>-</u>

Traffic Congestion Relief Fd.

Transfer Out (To):

Appropriation Reserve	\$ -
Total Transfers Out	\$ <u>-</u>

Measure M Funds

Transfer In (From):

Turnback Encumbrances	\$ 1,234,944
Competitive Encumbrances	534,023
Total Transfers In	\$ <u>1,768,967</u>

Measure M Funds

Transfer Out (To):

Turnback Fund Balance	\$ 1,234,944
Competitive Fund Balance	534,023
Total Transfers Out	\$ <u>1,768,967</u>

Bikes & Trailways (SB821)

Transfer In (From):

Fund Balance	\$ -
Total Transfers In	\$ <u>-</u>

Bikes & Trailways (SB821)

Transfer Out (To):

Appropriation Reserve	\$ -
Reserve for Encumbrance	-
Total Transfers Out	\$ <u>-</u>

AHRP Fund

Transfer In (From):

Fund Balance	\$ -
Total Transfers In	\$ <u>-</u>

AHRP Fund

Transfer Out (To):

Fund Balance	\$ -
Total Transfers Out	\$ <u>-</u>

Tidelands Fund

Transfer In (From):

Reserve for Encumbrances	\$ -
Tidelands Operations	115,000
Total Transfers In	\$ <u>115,000</u>

Tidelands Fund

Transfer Out (To):

General Fund	\$ 2,531,294
Reserve for Encumbrances	-
Upper Bay Reserve	75,000
Oil & Gas Reserve	40,000
Total Transfers Out	\$ <u>2,646,294</u>

Contributions Fund

Transfer In (From):

Reserve for Encumbrances	\$ 1,155,638
Total Transfers In	\$ <u>1,155,638</u>

Contributions Fund

Transfer Out (To):

Appropriation Reserve	\$ 1,155,638
Total Transfers Out	\$ <u>1,155,638</u>

2005-06 FUND TRANSFERS - ALL FUNDS

Circulation Fund	
Transfer In (From):	
Fund Balance	\$ -
Reserve for Encumbrance	1,184,963
Total Transfers In	\$ <u>1,184,963</u>

Circulation Fund	
Transfer Out (To):	
General Fund	\$ 80,000
Appropriation Reserve	1,184,963
Total Transfers Out	\$ <u>1,264,963</u>

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

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

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

Environmental Liability Fund	
Transfer Out (To):	
Fund Balance	\$ -
Total Transfers Out	\$ <u>-</u>

Oil Spill Remediation Fund	
Transfer In (From):	
Reserve for Encumbrances	\$ 56,063
Total Transfers In	\$ <u>56,063</u>

Oil Spill Remediation Fund	
Transfer Out (To):	
Appropriation Reserve	\$ 56,063
Total Transfers Out	\$ <u>56,063</u>

Newport Annexation Funds	
Transfer In (From):	
Receipt Fund	\$ -
Allocation Fund	1,200,000
Building Fund Encumbrances	218,037
Total Transfers In	\$ <u>1,418,037</u>

Newport Annexation Funds	
Transfer Out (To):	
General Fund	\$ 200,000
Receipt Fund	1,200,000
Building Fund Appropriations	218,037
Total Transfers Out	\$ <u>1,618,037</u>

Library Debt Service Fund	
Transfer In (From):	
General Fund	\$ 570,250
Total Transfers In	\$ <u>570,250</u>

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

Assessment Districts Fund	
Transfer In (From):	
Reserve for Encumbrance	\$ 478,992
Fund Balance	-
Total Transfers In	\$ <u>478,992</u>

Assessment Districts Fund	
Transfer Out (To):	
Appropriation Reserve	\$ 478,992
Fund Balance	-
Total Transfers Out	\$ <u>478,992</u>

Civic Center Construction	
Transfer In (From):	
Reserve for Encumbrances	\$ 365,411
Total Transfers In	\$ <u>365,411</u>

Civic Center Construction	
Transfer Out (To):	
Appropriation Reserve	\$ 365,411
Total Transfers Out	\$ <u>365,411</u>

2005-06 FUND TRANSFERS - ALL FUNDS

CIOSA Fund

Transfer In (From):

Fund Balance	\$ -
Total Transfers In	\$ -

CIOSA Fund

Transfer Out (To):

Appropriation Reserve	\$ -
Total Transfers Out	\$ -

Mariners Library Fund

Transfer In (From):

Reserve for Encumbrances	\$ 3,342,406
Total Transfers In	\$ 3,342,406

Mariners Library Fund

Transfer Out (To):

Appropriation Reserve	\$ 3,342,406
Total Transfers Out	\$ 3,342,406

Fire Station # 7

Transfer In (From):

Reserve for Encumbrances	\$ 197,901
General Fund	1,500,000
Total Transfers In	\$ 1,697,901

Fire Station # 7

Transfer Out (To):

Appropriation Reserve	\$ 197,901
Total Transfers Out	\$ 197,901

Marine Science Center

Transfer In (From):

Reserve for Encumbrances	\$ 45,444
Total Transfers In	\$ 45,444

Marine Science Center

Transfer Out (To):

Appropriation Reserve	\$ 45,444
Total Transfers Out	\$ 45,444

Retiree Medical Fund

Transfer In (From):

Fund Balance	\$ -
Total Transfers In	\$ -

Retiree Medical Fund

Transfer Out (To):

Appropriation Reserve	\$ -
Reserve for Encumbrance	-
Total Transfers Out	\$ -

Insurance Reserve Fund

Transfer In (From):

Fund Balance	\$ -
Total Transfers In	\$ -

Insurance Reserve Fund

Transfer Out (To):

Appropriation Reserve	\$ -
Reserve for Encumbrance	-
Total Transfers Out	\$ -

Equipment Fund

Transfer In (From):

Equipment Maintenance	\$ -
Reserve for Encumbrance	1,739,011
Total Transfers In	\$ 1,739,011

Equipment Fund

Transfer Out (To):

General Fund Overhead	\$ 125,000
General Fund Overhead	125,000
Equipment Replacement	1,739,011
Total Transfers Out	\$ 1,989,011

2005-06 FUND TRANSFERS - ALL FUNDS

Water Enterprise Fund	
Transfer In (From):	
Operations	\$ 752,609
Reserve for Encumbrances	3,390,180
Future Infrastructure Reserve	3,417,359
Stabilization Reserve	<u>1,739,752</u>
Total Transfers In	\$ <u>9,299,900</u>

Water Enterprise Fund	
Transfer Out (To):	
Water Operations	\$ 8,547,291
Water System Reserve	752,609
Water Fund Balance	<u> </u>
Total Transfers Out	\$ <u>9,299,900</u>

Wastewater Enterprise Fund	
Transfer In (From):	
Wastewater System Reserve	\$ 508,872
Reserve for Encumbrance	844,970
Future Infrastructure Reserve	1,535
Stabilization Reserve	<u>569,565</u>
Total Transfers In	\$ <u>1,924,942</u>

Wastewater Enterprise Fund	
Transfer Out (To):	
Wastewater Operations	\$ 1,924,942
Reserve for Encumbrance	-
Wastewater Infrastructure. Rsv.	-
Total Transfers Out	\$ <u>1,924,942</u>

TOTAL TRANSFERS	\$ <u>44,039,263</u>
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TOTAL TRANSFERS	\$ <u>44,039,263</u>
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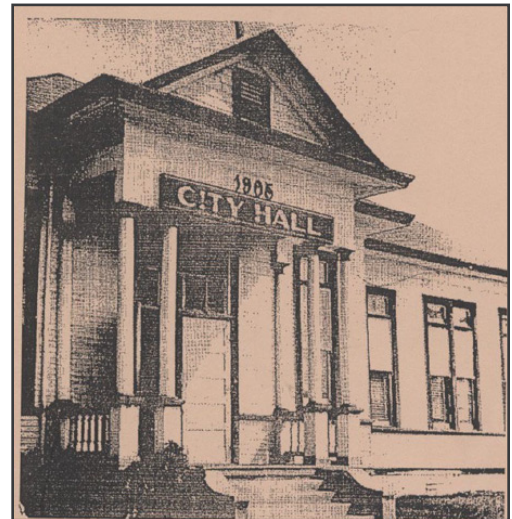
DEPARTMENT OPERATIONS

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

Running a city is a bit like running a corporation. The seven members of the Newport Beach City Council – each of whom represent one of seven districts but are elected to their positions by the voters of the entire city – serve as the City's Board of Directors. Being a council member is considered a part-time job, although the time commitment -- from early morning meetings with residents to Council meetings that can run late into the night -- often requires 30+ hours per week. In accordance with the City Charter, the City Council hires 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 Council has two primary tools to implement policy – the City's yearly budget (summarized in this *Resource Allocation Plan*) and the various priorities that the Council sets at its twice-a-month public meetings. For the year 2005-06, the Council will follow these efforts closely:



--- 2005-06 Council Efforts ---

- Managing the City’s resources prudently as the State of California addresses a funding deficit and as the economy recovers.
- Continuing to work with the community to update the City’s General Plan and to develop and certify a Local Coastal Program (LCP).
- Aggressively improving water quality and habitat in Newport Bay and the along the ocean shoreline.
- Ensuring the timely completion of projects that improve our streets, water and wastewater systems, and parks and medians.
- Planning and constructing new community facilities, including community centers in Santa Ana Heights and the Newport Coast, a new Mariners Branch Library, and possibly a new City Hall.
- Working on “sphere issues” with the County of Orange that could result in transfers of the Santa Ana Heights Redevelopment Project Area, certain tidelands, and the Coyote Canyon Landfill to the City along with a more cooperative approach to John Wayne Airport’s growth.



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).

	2002-03 Actual*	2003-04 Actual**	2004-05 Estimated***	2005-06 Proposed***
Salaries and Benefits	\$ 146,530	\$ 146,219	\$ 255,279	\$ 273,535
Maintenance and Operations	\$ 1,169,255	\$ 922,002	\$ 1,320,462	\$ 1,510,125
Capital Outlay	\$ 11,943	\$ -	\$ 11,300	\$ 7,000
Total	\$ 1,327,728	\$ 1,068,221	\$ 1,587,041	\$ 1,790,660

* Includes Airport Growth Control expenditures
 ** Includes Airport Growth Control and Spheres Issues expenditures
 *** Includes Spheres Issues and Centennial expenditures

CITY CLERK

Mission Statement

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.

Department Responsibilities

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.



The City of Newport Beach celebrates its centennial in 2006! To the City Clerk's office, this marks 100 years of maintaining the official records of the City. The City was incorporated on September 1, 1906, and the handwritten minutes of the City Council's first meeting on September 3, 1906, are a part of those records. Other records maintained by the City Clerk's office are all adopted ordinances and resolutions. The present City Seal was designed by Rex Brandt and adopted July 22, 1957. The City Charter was adopted June 8, 1954, and became effective on January 7, 1955.

Service Indicators	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Estimated	Projected
Council Meetings, Regular	24	23	23	23
Council Meetings, Special or Adjourned	21	21	22	21
Resolutions adopted	72	80	90	90
Ordinances adopted	28	25	25	25
Municipal elections	1	0	1	0
Registered voters	51,864	55,997	60,529	61,000
Municipal Code Supplement pages distributed	52,626	45,000	65,000	55,000
Claims/Summons and Complaints processed	194	180	180	180
Contracts/Agreements processed	120	120	110	110
Notices of Completion/Release Bonds	28	30	20	25
Documents processed to Orange County Recorder	38	40	25	30
Pages scanned into Document Imaging System	34,500	35,000	100,000	60,000
Passports processed	672	800	800	900

	2002-03	2003-04	2004-05	2005-06
	Actual	Actual	Estimated	Proposed
Salaries and Benefits	\$ 250,802	\$ 261,437	\$ 290,919	\$ 317,779
Maintenance and Operations	\$ 50,448	\$ 33,744	\$ 39,310	\$ 37,709
Capital Outlay	\$ 6,005	\$ -	\$ -	\$ -
Total	\$ 307,255	\$ 295,181	\$ 330,229	\$ 355,488
Elections	\$ 48,685	\$ -	\$ 55,000	\$ -
Grand Total	\$ 355,940	\$ 295,181	\$ 385,229	\$ 355,488

Performance Review

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 present 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 department directors and of individuals and groups throughout the city. Other topics more regional in nature are also on the City Manager's plate and those of the two Assistant City Managers. 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.

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 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 has become recognized nationwide (via a 2004 environmental award) as a leader in progressively implementing state and federal water quality laws as well as having a strong emphasis on traditional code enforcement work. This Division works almost entirely "in the field" communicating with, educating (and sometimes citing) individuals and businesses that violate codes -- all to keep the community a World Class place to live, work, and visit. In 2005-06, the Division will continue its proactive, face-to-face education and enforcement efforts.

Public Information Division

The Public Information Office works to improve communication between the City and our residents and businesses. The PIO's efforts include e-mailed newsletters, our Web site, and community cable TV programming. The Division will focus on addressing cable franchise needs in 2005-06 and in effectively implementing quality community programming.

Harbor Resources Division

More than 1200 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 Policies demand specific attention by the Harbor Resources staff. The Harbor Commission, a seven-member all-volunteer 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 Rangers program. Harbor Resources is housed at the Balboa Yacht Basin off of Harbor Island Drive.

Service Indicators	2004-2005 Estimated	2005-2006 Projected
<u>Code & Water Quality Enforcement Division</u>		
Administrative Citations Issued	275	275
Educational Contacts Made	1,800	1,850
Water Quality Education Impressions	670,000	700,000
<u>Public Information Division</u>		
Adelphia/Cox Monthly Half Hour Shows	96	108
Special Events Cable Programming	4	8
News Releases	21	24
Web Site Responses www.nbcitynews.com	104	250
Info-by-email Notices	16	24
Public Education Tours/Speakers Bureau	2	6
<u>Harbor Resources Division</u>		
Dock Construction Permits Reviewed	100	100
Dredging Permits Reviewed	35	30
Fire Code Compliance Citations Issued	25	60
Other Harbor Compliance Warnings and Citations	15	15
Number of Vehicles at Balboa Pier Lot	227,000	230,000
Number of Vehicles at CDM Lot	126,000	130,000
Number of Students Trained/Educated and Public Contacts via Marine Life Refuge Program	73,000	75,000
Number of Schools Coordinated by MLR Program	271	300

	2002-03 Actual	2003-04* Actual	2004-05 Estimated	2005-06 Proposed
Salaries and Benefits	\$ 1,550,992	\$ 2,004,133	\$ 2,147,455	\$ 2,284,919
Maintenance and Operations	\$ 505,245	\$ 1,664,168	\$ 983,280	\$ 1,127,009
Capital Outlay	\$ 16,248	\$ 30,156	\$ 40,968	\$ 40,700
Total	<u>\$ 2,072,485</u>	<u>\$ 3,698,457</u>	<u>\$ 3,171,703</u>	<u>\$ 3,452,628</u>

* Code & Water Quality Enforcement Division added.

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 2004-05

The Human Resources Department continues to focus on improving our processes which enables us to provide excellent employment and benefit information to City Departments and the public.

There were many changes to Human Resources this past year. First, we have a new look. The offices were remodeled to allow our employees privacy when conducting benefit matters as required by HIPPA legislation. We also had some staff changes. Two new staff members joined the Human Resources Department this year, Christine Fox as Administrative Assistant to the Human Resources Director and Sonia Villalvazo as Office Assistant.

Human Resources assisted various City Departments with their recruitment needs. We worked closely with the Fire Department to revise the Seasonal Ocean Lifeguard interview process by assisting with the development of interview questions and by participating in the interview panel for hiring decisions before recruits began their training phase. This provided the Fire Department with the ability to review the candidate in-depth before they made a conditional employment offer. We also partnered with various departments



to streamline our seasonal recruitment process and issues with scheduling physicals. This resulted in a much shorter turnaround time for seasonal hires to be cleared to start work.

In a continuing effort to be responsive to the needs of our internal customers, Human Resources produced an Employee Benefits Summary & Salary Schedule binder for managers and supervisors. All Department Directors, managers, and supervisors received copies of the Benefits Summary pages for each Association for which they have covered employees and a copy of the current city-wide salary schedule. We anticipate that managers and supervisors will use the binder as a quick reference guide. This same information was sent to the Association Presidents for their respective units. Each new employee will receive the Benefits Summary document during their new-hire orientation.

Our department worked closely with the MIS Division to meet one of our objectives. We implemented an online system to create and track personnel action forms (PAFs). In the past, these forms were submitted to the Human Resources Department on three-part forms to track personnel activity, such as new hires, terminations, transfers, and salary increases. The new online system allows support staff to create the forms online, and then submit them to the Department Directors to be "e-approved." The online forms are then automatically routed to the HR Department to be processed. Not only is it more efficient for this process to be automated, but it also gives us a permanent electronic record of personnel activity.

In collaboration with the City's Performance Appraisal Committee a new performance appraisal form and instruction guide was developed. This form and instruction guide provides supervisors with an uncomplicated and effective performance management tool. Implementation of the new form and training on how to effectively use it will be completed this summer.

The Department completed the organizing and purging of files in work areas and storage spaces in order to comply with the City's newly adopted records retention policy. Over 11,000 items were shredded. The final phase included the installation of new shelving in our storage space.

The HR Operations Manager again conducted Sexual Harassment Prevention Training for the seasonal Lifeguard recruits. We also coordinated a City-wide supervisory training in the area of Sexual Harassment Prevention to comply with California legislation that took effect January 2005.

We accomplished another goal for this year in the development and implementation of our FMLA Policy and HIPPA procedures. FMLA City-wide training was conducted for all supervisors in April 2005 and HIPPA notices were sent to employees as part of the open enrollment process.



HUMAN RESOURCES (Continued)

Department
Organization

Human Resources Administration/Operations
Staffing: 6 \$988,993
Labor Relations/MOU Administration Personnel Policies Deferred Compensation Civil Service Commission Support City Employee Activities & Events City Telephone Directory Employee Identification Card & Parking Permits Employment Verifications Personnel Action Form Processing Changes of Addresses Front Office and Public Counter Service Employee/Labor Relations Citywide Training Recruitment/Selection Classification/Compensation PERS/PARS Assistance Tuition Reimbursement Exit Interviews Unemployment Administration

Risk Management
Staffing: 3 \$360,143
General Liability & Workers' Compensation Claims Administration Disability Benefits Employee Health Fair EAP Program Employee Fitness Center Administration Pre-employment Physical Exams Benefits Administration

Human Resources Objectives FY 2005-2006

- Conduct supervisor training on the new City-wide performance evaluation system.
- Continue to coordinate with the MIS Division to create the online Performance Appraisal form.
- Automate quarterly notification of Performance Appraisal due dates to Departments.
- Coordinate with MIS to create an online Tuition Reimbursement form.
- Continued training of full-time employees on our Drug/Alcohol Policy.
- RFP for Workers' Compensation Claims Administration.
- Conduct Basic Workers' Compensation training for Supervisors and Managers.
- Develop an accident investigation process and training with the Fire Department Safety Committee.

Budget Highlights FY 2005-2006

The HR Department will continue to provide the tools and training needed to keep current with Human Resources related laws and practices. City-wide training is still a high priority with information of Performance Appraisal due dates to departments and the completion of Workers' Compensation Claims Administration RFP being the critical areas that will be addressed this fiscal year.

Service Indicators	2004-2005	2005-2006
	Estimated	Projected
Recruitments	67	70
Firefighter Pre-Employment Process	15	17
Tuition Reimbursements	153	160
Unemployment Claims	16	17
Personnel Action Forms	1,256	1,300
Classification/Compensation Studies	38	40
Surveys for other agencies	168	177
PERS/PARS Issues	98	105
Fingerprints entered	368	70
Trainings Conducted	13	15
Contract Negotiations meetings	40	20
Employee Relations Matters	26	28
Benefit Forms Processed Actives & Retirees	728	764
General Liability Claims	77	80
Workers' Compensation & Disability Claims	126	120
Industrial Disability Retirements Processed	3	3
New Employee Orientations Conducted	35	45
Part-time hires	51	54

Performance
Review

	2002-03	2003-04	2004-05	2005-06
	Actual	Actual	Estimated	Proposed
Salaries and Benefits	\$ 763,010	\$ 823,561	\$ 880,327	\$ 926,476
Maintenance and Operations	\$ 352,050	\$ 332,110	\$ 434,060	\$ 414,660
Capital Outlay	\$ 31,585	\$ 9,333	\$ 9,311	\$ 8,000
Total	<u>\$ 1,146,645</u>	<u>\$ 1,165,004</u>	<u>\$ 1,323,698</u>	<u>\$ 1,349,136</u>

Allocation
Plan

CITY ATTORNEY

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



One City Attorney
One Assistant City Attorney
One Deputy City Attorney
One Administrative Assistant to the City Attorney
One Department Assistant
One Part-time Contract Attorney

- 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 in-house defense of tort liability claims by full-time Deputy City Attorney, and support code enforcement efforts when litigation becomes necessary.
- To present reasonable and cost effective solutions to legal problems without compromising the interests of the City, its officers, or employees.

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 proposed contracts, bond financing papers, and insurance requirements.
- Monitor, control, defend against liability claims and lawsuits.
- 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, analyze, and lobby for legislation 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.

Service Indicators

	2003-2004 Actual	2004-2005 Estimated	2005-2006 Projected
Requests for Opinions/Advice (In-House)	5,250	5,500	5,500
Council, Board, and Commission Meetings	100	100	100
Preparation/Review of Contracts, MOUs, Agreements	300	300	400
Litigation Caseload	150	50	50
Code Enforcement Caseload	120	80	80
Development/review of Resolutions and Ordinances	75	85	85
Court and Hearing Appearances	100	80	80
Public Assistance (phone or in person, by attorney or secretarial staff)	7,200	7,200	7,200
Legislative Advocacies	20	20	20
Public Records Act Requests	29	40	60

	2002-03 Actual	2003-04 Actual	2004-05 Estimated	2005-06 Proposed
Salaries and Benefits	\$ 631,502	\$ 690,097	\$ 728,563	\$ 779,040
Maintenance and Operations	\$ 233,651	\$ 374,171	\$ 278,826	\$ 197,001
Capital Outlay	\$ 2,965	\$ 7,320	\$ 11,000	\$ 3,000
Total	\$ 868,118	\$ 1,071,588	\$ 1,018,389	\$ 979,041

ADMINISTRATIVE SERVICES

*To provide highest quality Management Information 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, Management Information Services, 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 Management Information Services, 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.

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 Management Information 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.

Accounting Staffing: 8 plus 1.25 FTE \$916,562
General Accounting Payroll Property Control & Fixed Asset Tracking Audit Coordination Debt Administration Financial Reporting

Fiscal Services Staffing: 12 plus 2.89 FTE \$1,325,999
Cash Management Purchasing Warehousing & Inventory Control Printing & Reproduction Postal Services Remittance Processing Accounts Payable

Mgt. Information Services Staffing: 17 plus .5 FTE \$2,569,384
Computer Applications Support Telecommunications Geographic Information System PC Technical Support Network Management Database Management

Resource Management Staffing: 3 \$464,397
Budget Management Investment Management Internal Control *does not include Ackerman Scholarship fund

Revenue Staffing: 12 plus 1.60 FTE \$1,229,719
Municipal Billing Payroll Intergovernmental Transfers Licenses Regulator Permits Revenue Development Receivables & Collections

TOTAL \$6,506,062
52 Positions, plus 6.24 FTE

ADMINISTRATIVE SERVICES (Continued)

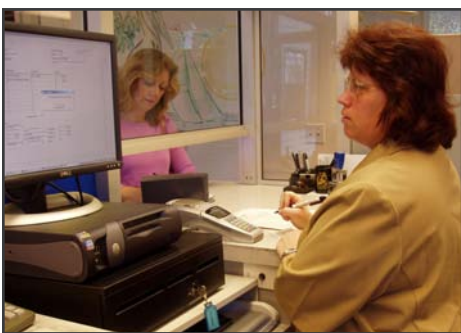
Financial Services

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 composed of five primary work groups: 1) Central Cashiering; 2) Accounts Payable; 3) Print Shop Multigraphics; 4) Mail Room and Remittance Processing and, 5) Purchasing and Central Warehouse operations. Fiscal Services is a diverse Division of sixteen 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



for a multitude of billing systems. In addition, Central Cashiering handles incoming telephone calls and difficult customer service situations. The Print Shop produces numerous 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 insertion of all City billings, 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.

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.

The **Accounting Division** acts as the financial historian for the City, accounting for and reporting the results of operation for a given period, and documenting the City's financial position at each fiscal year-end. Consequently, Accounting staff members are often utilized to satisfy information requests, analyze past operation results, as well as estimate the cost of future ventures. Budgeting is also a natural fit for this Division and is the home of most budget preparation. Although cities are not required to file an income tax return, cities are not exempt from many federal and state imposed excise tax filings and annual reports. In charge of City payroll, this Division also coordinates the tax reporting of compensation and benefits on behalf of employees and employee benefit plans. After the coordination of the budgeting, accounting, and financial reporting processes, this Division then assumes the role as the audit liaison for all financial, compliance, and grant related audits.

Information Technology

The **Management Information Systems (MIS) Division**, which is the largest Division in the Department, 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 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, development and administration of the City's Web site, centralized database applications development and support, software training, and personal computer purchasing, support, and network administration. Network administration and support includes telecommunications and Wide Area Networking (WAN). The Telecommunications

ADMINISTRATIVE SERVICES (Continued)

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 MIS Division also supports a complex Geographic Information System (GIS) designed to provide analysis and mapping capabilities.

The Future

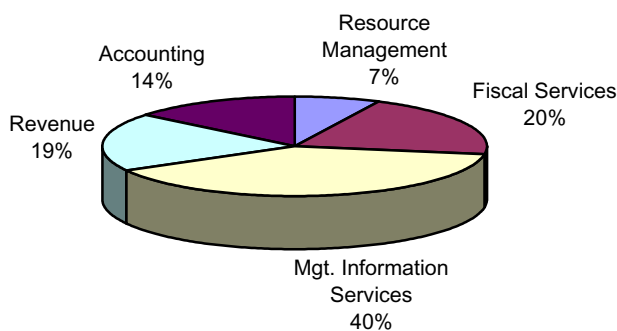
The Administrative Services Department continues to take the lead in providing automation solutions and communications services to all City Departments, the City Council, and members of the public.

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. Wireless networking will become more and more prevalent. Wireless access to all City network resources have been made available from any location within the City Hall facility and wireless technology solutions have been implemented between remote sites in order to provide faster, more efficient, cost effective connectivity.

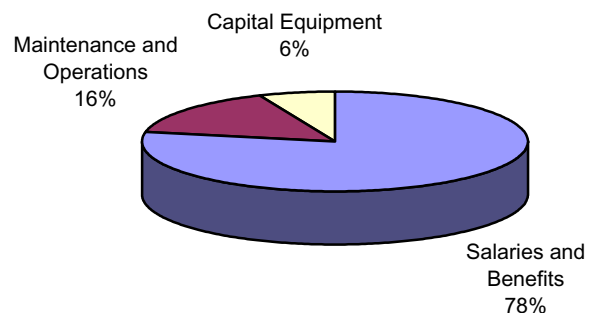
Applications including: core accounting, billing, and HRM modules; GIS; document imaging and management; and Interactive Voice Response (IVR) systems will continue to be developed and expanded. The Internet and Intranet Web sites will continue to be developed and expanded with an emphasis towards providing 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 improved solutions and tools designed to provide better, more efficient customer service.

The MIS 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.

Expenditures by Division



Expenditures by Type



Service Indicators	2002-2003 Estimated	2003-2004 Estimated	2004-2005 Estimated	2005-2006 Projected
Budget Administered	\$158,930,430	\$167,229,174	\$171,171,873	\$193,672,199
Warrants Issued	19,300	20,290	17,613	20,000
Value of Payments Processed	\$99,850,000	\$100,232,519	\$134,667,250 *	\$135,232,000
Checks Deposited	175,400	177,879	213,170	215,302
Value of Currency Deposited	\$2,737,900	\$2,794,560	\$2,800,000	\$2,944,360
Annual Payroll & Benefits	\$73,312,610	\$83,249,130	\$88,156,993	\$95,565,418
Paychecks Processed	25,500	26,200	27,275	27,900
Purchase Orders	792	686	724	734
Images Printed	4,965,000	4,368,336	3,955,363 **	3,900,000
Printing & Binding Jobs	4,200	4,351	4,232 **	4,212
Mail Room Volume	379,500	223,000	208,000 **	205,000
Municipal Statements	200,000	200,000	205,000	205,000
Accounts Receivable Billings	62,000	31,000	10,000 ***	10,000
New Business Licenses	3,600	4,000	4,000	6,000
Business License Renewals	12,000	13,000	20,000	22,000
Dog Licenses Issued	2,500	3,000	3,200	3,600
Marine Charter Permits	1,000	1,100	1,500	200 ****
Parking Citations Processed	88,300	88,000	72,000	75,000
Administrative Citations Processed	1,800	1,500	2,500	5,000
Ajudications	4,700	4,700	3,100	3,200
Business Tax Revenue	\$2,030,845	\$2,830,127	\$2,500,000	\$3,500,000
Business Tax Notices	5,500	7,700	9,560	16,000
Transient Tax Revenue	\$8,055,266	\$8,045,132	\$8,500,000	\$9,100,000
Transient Tax Notices	3,100	3,100	3,100	3,100
City Owned Telephone Units	810	825	835	865
Service & Repair Calls	1,875	1,890	1,944	1,953
Average Monthly Calls	71,250	75,000	79,135	81,358

* Increase due to direct pays not included until FY 03.

** Decrease due to outsourcing of municipal services statements and use of email and Web links.

*** Decrease due to consolidation of billings on municipal statements.

**** High decrease projected due to anticipated changes to annual permitting.

	2002-03 Actual	2003-04 Actual	2004-05* Estimated	2005-06 Proposed
Salaries and Benefits	\$ 3,970,814	\$ 4,233,973	\$ 4,629,850	\$ 5,079,583
Maintenance and Operations	\$ 949,132	\$ 975,446	\$ 1,066,270	\$ 1,013,520
Capital Equipment	\$ 76,620	\$ 69,527	\$ 328,382	\$ 412,959
Total	\$ 4,996,566	\$ 5,278,946	\$ 6,024,502	\$ 6,506,062

* Started Computer Replacement program.

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.



Officer Yerington works with his police canine, "Hans" during Public Safety Day October 10, 2004.

In support of our mission, the Department will:

- Expand on the Department's successful recruitment, hiring, and promotional process to reach our authorized staffing levels as we continue to deal with a significant number of planned retirements.
- Redesign the Department Web site to provide better access to information by the public and provide a window into the Department for potential future employees.
- Continue the Department's leadership role in the implementation of the Countywide Integrated Law and Justice System Strategic Plan.
- Maintain the Department's focus on technological improvements such as the wireless Local Area Network, Automated Vehicle Location System, CAD/RMS upgrade, dispatch recording system, and the replacement of the existing jail/building monitoring system.
- Further develop the Department's Community Policing efforts by improving our access to information through advanced technology for all of our field units as well as within the Police Facility.
- Continue the Department's commitment to providing community training in Crime Prevention, Crime Awareness, Identity Theft, and Personal Safety.



Officers position themselves during the Jewels by Joseph robbery and arrest of three suspects on December 28, 2004.



Traffic Officers using new, time saving GPS equipment (Total Station) to accurately map traffic collision.

	2002-03 Actual	2003-04 Actual	2004-05 Estimated	2005-06 Proposed
Salaries and Benefits	\$ 25,908,035	\$ 27,505,636	\$ 29,546,446	\$ 30,370,513
Maintenance and Operations	\$ 4,340,691	\$ 4,713,980	\$ 5,122,593	\$ 5,189,642
Capital Outlay	\$ 189,451	\$ 228,819	\$ 362,637	\$ 288,372
Total	<u>\$ 30,438,177</u>	<u>\$ 32,448,435</u>	<u>\$ 35,031,676</u>	<u>\$ 35,848,527</u>
Sworn Personnel	148	148	148	148
Non-Sworn Personnel	89	89	89	90
Total Personnel	<u>237</u>	<u>237</u>	<u>237</u>	<u>238</u>

Allocation Plan

POLICE DEPARTMENT (Continued)

<p>Chief of Police Staffing: 10, plus .49 FTE \$1,683,585</p>
<p>Professional Standards D.A.R.E. Media Relations Environmental Services Community Relations Legal Affairs Crime Prevention Citizen's Academy</p>

<p>Traffic Staffing: 32, plus 3.74 FTE \$4,390,230</p>
<p>Traffic Services Accident Investigations Motors Parking Control Crossing Guard Traffic Education Animal Control Special Events Planning</p>

<p>Fleet Maintenance Staffing: 2 \$644,057</p>
<p>Parts Inventory Automotive Service Equipment Replacement Collision Repair Vehicle Maintenance</p>

<p>Patrol Staffing: 96, plus 4.29 FTE \$14,179,979</p>
<p>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>

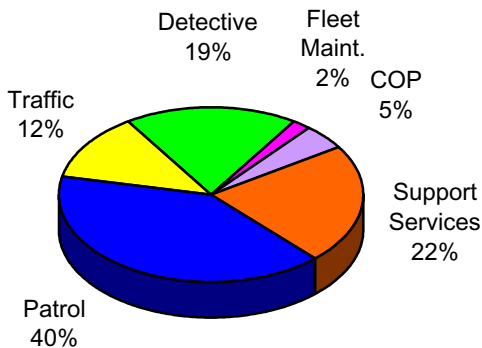
<p>Support Services Staffing: 54, plus 6.84 FTE \$8,515,989</p>
<p>Alarms Officer Communications Video Unit Property Unit Polygraph Unit Fiscal Services Records Section Training Section Range/Armory Computer Systems Planning/Research Facility Maintenance Electronic Equipment Repair</p>

<p>Detectives Staffing: 44, plus .19 FTE \$6,434,687</p>
<p>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.)</p>

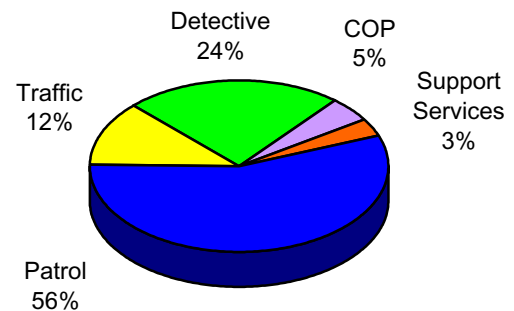
(Figures do not include Asset Seizure or other grant funds)

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 85% of the Police Department's total budget, with the remainder devoted to training, technology, office equipment, supplies, and other operational costs.



FY 06 Budget by Division



Sworn Officers by Division



Teen Academy poses during class session on traffic safety and radar demonstration.

Service Indicators	2002-2003	2003-2004	2004-2005	2005-2006
	Actual	Actual	Estimated	Projected**
Part One Crimes*	3,084	3,077	3,030	3,182
Adult Arrests	3,485	3,201	3,295	3,168
Juvenile Detentions	372	317	294	239
Part Two Crimes/Misellaneous Reports	10,251	10,123	10,602	10,408
Total Computer Aided Dispatch Entries	80,510	82,414	75,742	80,865
Calls for Service	59,484	60,764	65,593	67,461
Domestic Violence Cases Investigated	215	199	260	260
Number of Cases Assigned for Investigation	4,597	4,486	4,244	4,516
Number of Cases Assigned Per Detective	328	320	287	311
Value of Property Recovered	2,460,042	4,094,053	2,566,532	3,802,848
Field Interviews Conducted	7,332	6,293	5,696	5,118
False Alarms Handled	4,245	4,069	4,025	3,948
Animals Impounded	664	686	588	643
Animal Control Citations Issued	1,481	1,148	1,019	1,041
Fatal Traffic Collisions	3	5	6	7
Injury Traffic Collisions	472	530	541	566
Property Damage Collisions	1,024	1,027	900	916
Vehicle Code Citations/Warnings issued	18,233	17,751	17,192	16,775
Other Citations Issued	4,099	3,858	4,234	4,170
Parking Citations Issued	68,907	71,076	71,451	69,534

* 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.

**Projected Service Indicators for 2005/2006 Fiscal Year are derived from mathematical formulas based on historical data and are not indicative of recent downward trends.

FIRE DEPARTMENT

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 148 full-time employees and over 200 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.

2005-2006 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 2005-



2006 will be the planning and construction of 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 Defibrillators (AEDs), paramedic monitors that easily identify heart attacks, and devices that monitor blood sugar levels. This year some of our paramedic vans will be replaced with modular ambulances offering more patient treatment room and easily accommodating advanced medical equipment. Our "Fire Medics" program is currently utilizing a new 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. Our Ocean Lifeguards protect over 10 million beach visitors each year with their preventative actions and medical assistance. All of our emergency response personnel are highly trained and strive to ensure the safety of our community.



Disaster Preparedness

Though concerns about homeland security kept disaster preparedness on the forefront in the minds of the community, safety officials, and City staff, the tragic Asian tsunami, and winter storms that affected Southern California in 2005 have recharged our awareness for natural disasters. Within the Fire Department, the Disaster Preparedness Coordinator has updated the City's Emergency Management plan. The City's Emergency Operations Center (EOC) is regularly activated for drill scenarios and we continually enhance our response capabilities. Disaster training for the residents within the City continues through the very successful Community Emergency Response Team (CERT) program, as well as city employees in our Emergency Response Team (ERT) program. The next step in preparedness will be the development of a Hazard Mitigation Plan for the City. This plan

FIRE DEPARTMENT (Continued)

will assist us in strategically planning for the reduction of hazards around the city. The continued development of the community's disaster preparedness efforts will aid the residents of Newport Beach in an area-wide disaster. Natural and human-caused disasters will continue to be potential threats to our community and the Fire Department will continue to coordinate within our own city and with neighboring jurisdictions to ensure we are prepared.

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 are now participating in an updated version of emergency driving skills and on-scene management of incidents involving Weapons of Mass Destruction. 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 every year through the Junior Fire Marshal, the Junior Lifeguard, and Lifeguard Cadet Programs. The Department has continued our "CPR in the Schools, Working Together to Save Lives" program. Lifeguard personnel provide CPR and other safety instruction to over 700 Newport-Mesa high school safety education students at Newport Harbor, Corona del Mar, and Back Bay high schools each year.



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

Fire Prevention

The mission of the Fire Prevention Division is to provide a fire safe community and prevent loss of life and property throughout Newport Beach. The Fire Prevention Division work is in conjunction with the City's Planning and Building Departments to ensure all new construction and remodels are built in compliance with the local and State building and fire codes. This includes the installation of and modifications to built-in fire protection, such as fire alarm systems and automatic fire sprinkler systems. The Fire Prevention Division is responsible for regulating hazardous materials and processes, ensuring their storage and use conform to State and City requirements. The Fire Prevention Division also manages the routine fire inspection program that provides periodic inspections to all business and selected multi-family occupancies to ensure they are maintained fire safe and in compliance with the fire and life safety codes.



FIRE PREVENTION PROJECTS

Townhomes at 869 W. 15th St. – This year construction began on 12 buildings with 42 units. These three-story homes will have a first story garage with two levels of living space above. All buildings are fully sprinklered and are equipped with their own fire department connections. An additional fire entry road was provided at the rear of the complex giving the Fire Department two points of access to the property.

Fashion Island continues to install new fire alarm systems in all buildings as each tenant space is remodeled. In 1999, a partnership between Fashion Island Management and the Newport Beach Fire Department identified the need to modernize the fire detection and alarm equipment at Fashion Island. The plan included the installation of new fire alarm panels within each of the buildings and the connection of all of the detecting and alerting devices to the new panels. These improvements will enhance the ability of the Fire Department to respond more rapidly to a fire emergency, and also provide emergency notification to the occupants of the building and Fashion Island security.

Newport Coast continues to grow in number of new homes and with this growth the area of urban wildland interface increases. With this growth comes additional responsibilities of monitoring the firefighting defensible space (fuel modification) and emergency access (fire lane) requirements.

New Fuel Modification Zone areas protecting residents in Ziani, Crystal Cove, and Pacific Ridge are in place and will become part of the Fire Prevention Division inspection responsibility. The Fuel Modification Zone maintenance and inspection program is working smoothly with 100% timely compliance in both spring and fall 2004.

To help identify for enforcement purposes, a Fire Lane Map Atlas of Newport Coast has been produced. New communities have fire lanes identified with signs before construction materials are delivered to the building sites. Fire Prevention staff continues to strive to bring all roadways into access compliance.

Hoag Hospital construction of the new ten-story east tower, Woman's Pavilion at the Hoag Hospital campus is nearing completion. The 269,327 sq. ft. structure is scheduled for substantial completion by McCarthy Construction Company by June 15, 2005. After this date, Hoag will supply the Pavilion with all necessary medical equipment and furnishings in order to have a grand opening date tentatively scheduled for October 14, 2005. This project has met all expectations of time and budgetary constraints.

Also, the **Co-Generation** plant, located along West Coast Highway at the west end of the campus, is nearly completed with a start-up date tentatively set for June 8, 2005. The Co-Generation plant will consist of three natural gas fired generators which will augment the increased electrical demands associated with the east tower, and will also serve as an adjunct electrical supply in the event of a brown-out or Edison power failure. The exhaust heat generated by the plant will be used to generate steam for hot water usage and for steam absorbent chillers used for cooling.

The Church of Jesus Christ Latter Day Saints located on Bonita Canyon Drive is nearing completion, with a scheduled date of June 2005. The temple is 16,000 square feet, fully fire sprinklered with exterior standpipes, and a fire alarm system.

Groundbreaking has begun for **Bayview Landing**, a three-story multi-family residence located at 1121 Back Bay Drive. This building will be fully fire sprinklered with standpipes in all stairwells. A manual and automatic fire alarm system is required based on lack of access to the structures.

FIRE DEPARTMENT (Continued)

High-rise fire alarm retrofit projects are in progress at **610 and 660 Newport Center Drive**. The 660 building has installed a new fire alarm panel and upgraded smoke detectors, speakers, horns, horn/strobes, manual pull stations, and firefighter phones throughout the building. Once the retrofit at 660 is tested and approved, inspections will begin at the 610 building.

The **Newport Beach Marriott Hotel and Tennis Resort** located at 900 Newport Center Drive is under renovation. Phase I consists of the North Tower, North Wing, and the demolition of the View Restaurant. A new fire alarm panel has been installed along with an annunciator panel in the main lobby. The buildings are equipped with an upgraded fire alarm system, fire sprinkler system, firefighter phones, and a standpipe system in the North Wing. Testing of devices is nearly completed for Phase I. Phase II shall consist of the South Tower, South Wing, and the addition of a Wedding Lawn.

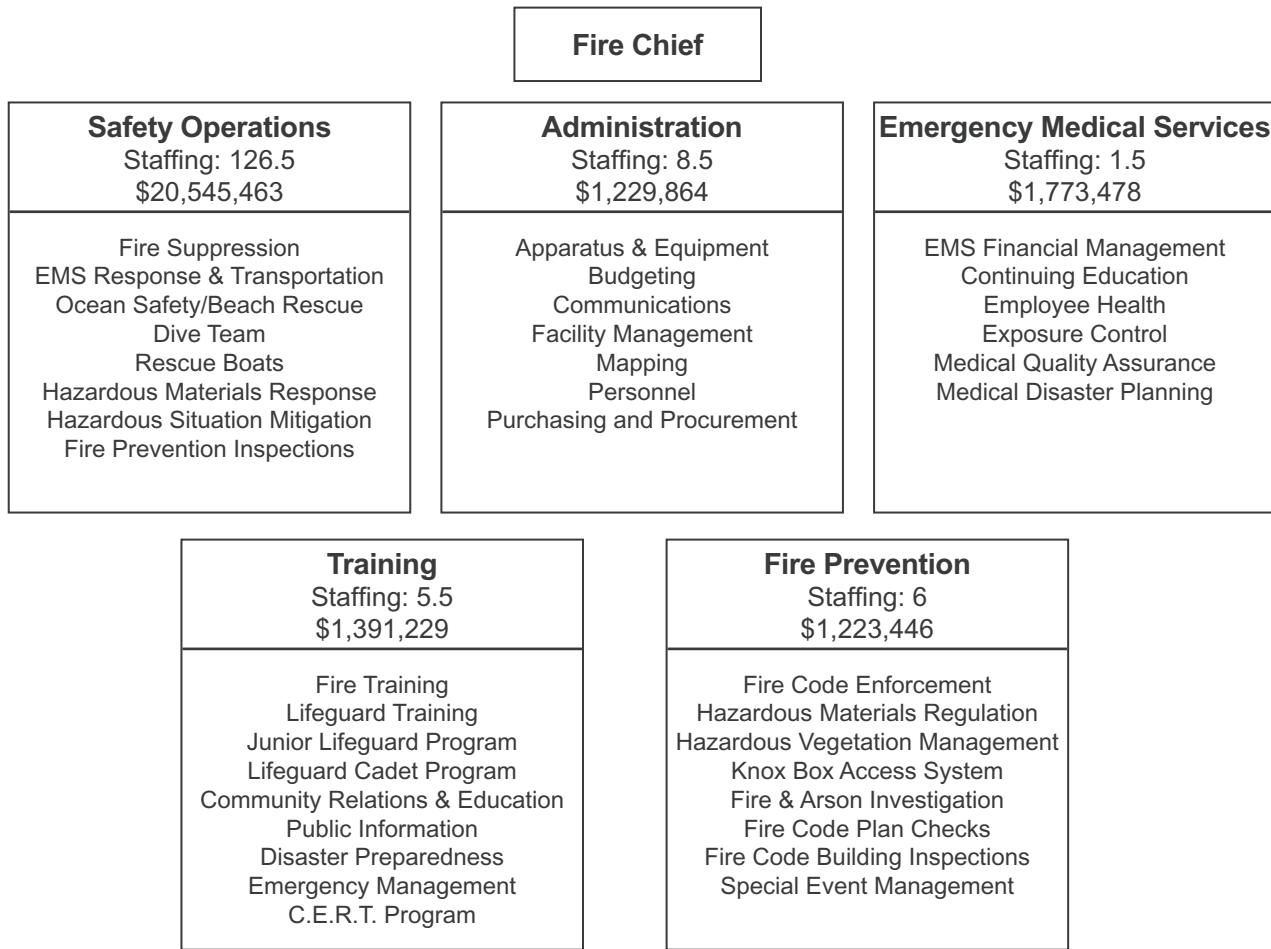
Santa Barbara Condominiums are proposed to be built on the Marriott Hotel property. The project consists of three buildings with approximately 30 units per building. Each unit averages 2,598 square feet. These buildings shall be equipped with a fire sprinkler system, fire alarm system, and standpipe system.

Commercial Marinas - Vessel Berthing and Code Enforcement - The City Council and Harbor Commission approved a plan for Harbor Resources, O.C. Sheriff's Harbor Department, Fire Prevention, and Building Department personnel to join together and inspect 71 commercial marinas for compliance with the Municipal Code, Fire Code, and Electrical Code. Items addressed during these inspections were fire department access, fire protection systems, multiple berthing and rafting issues, fuel storage, and existing non-conforming conditions. Though approximately one third of the commercial marinas had berthing violations, all marinas were in violation of the Municipal Code, Fire Code, or Electrical Code. Fire Prevention and Harbor Resources continue to inspect and educate commercial marina permittees on code requirements. Evening inspections are conducted to ensure marinas continue to remain compliant with berthing violations. Non-compliant marinas will risk receiving a \$100 Administrative Citation.

Coronado Apartments is an existing large complex that has been undergoing a renovation for the past year. Included in the renovation were new illuminated exit signs and emergency lighting, repairs to trash chutes, and replacement of the fire alarm system. The renovation is expected to be completed sometime in 2005.

Allocation Plan

	2002-03 Actual	2003-04 Actual	2004-05 Estimated	2005-06 Proposed
Salaries and Benefits	\$ 18,571,780	\$ 20,418,031	\$ 22,051,791	\$ 22,159,995
Maintenance and Operations	\$ 3,068,246	\$ 3,407,584	\$ 3,785,258	\$ 3,816,100
Capital Outlay	\$ 374,658	\$ 204,331	\$ 221,881	\$ 187,384
Total	<u>\$ 22,014,684</u>	<u>\$ 24,029,946</u>	<u>\$ 26,058,930</u>	<u>\$ 26,163,479</u>
General Tax Revenue	\$ 18,794,992	\$ 20,752,450	\$ 23,378,424	\$ 23,255,437
Other Revenue	\$ 3,219,692	\$ 3,277,496	\$ 2,680,506	\$ 2,908,042
Total Revenue	<u>\$ 22,014,684</u>	<u>\$ 24,029,946</u>	<u>\$ 26,058,930</u>	<u>\$ 26,163,479</u>
Non-Sworn Personnel	13	14	14	14
Sworn Personnel	<u>134</u>	<u>134</u>	<u>134</u>	<u>134</u>
Total Full-time Personnel	147	148	148	148



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	2002-2003 Actual	2003-2004 Actual	2004-2005 Estimated	2005-2006 Projected
Fire Responses	442	423	228	400
Medical Responses	5,704	5,860	5,568	5,800
Fire Medics Membership	3,244	6,500	5,800	6,500
Water Rescues	5,550	5,827	4,384	6,000
Lifeguard Medical Aids	5,212	5,472	7,348	7,700
Boats in Distress	91	95	96	100
Preventative Actions	153,152	160,809	118,190	125,000
Fire Alarm Responses	1,176	1,195	737	1,250
Other Emergency Responses	1,063	1,129	2,296	2,500
Public Education Hours	850	1,000	1,000	1,200
Fire Inspections	4,460	4,500	4,550	4,600
Beach Attendance	10,670,300	11,203,815	8,309,790	10,000,000

PLANNING DEPARTMENT

Plan and manage the development or use of land, and provide the highest level of customer service consistent with the law, policy, and community goals.

The function of the Planning Department is to promote and enhance the physical environment and quality of life experienced by residents, visitors, property owners, and businesses of the City of Newport Beach. The Department accomplishes its mission through programs promoting high quality community and economic development.

Budget Highlights

The Planning Department operates under the supervision of an Assistant City Manager and the Planning Director. Funding for the Assistant City Manager is within the City Manager's budget. The Department will continue the General Plan update effort begun at the end of FY 2002-03. Because this is such a significant program for the City, its funding is identified in a distinct budget line. Funds for the entire update were encumbered in FY 2002-03, but expenditures will carry on through this fiscal year to project completion. Certification of the Local Coastal Program is another major program from the last fiscal year that will carry over into FY 2005-06, with major expenditures only for the consultant assistance which may be required for certification of the Coastal Land Use Plan. The Department expects certification of the CLUP and submittal of the Implementation Plan to occur early in this fiscal year, allowing for certification to be completed before the end of the year.

The Planning Department budget for 2005-06 is essentially the same as 2004-05, with two notable exceptions. The budget reflects the upgrading of a part-time office assistant to full-time status. This is necessary to adequately support the continuing high volume of activity both in plan check and submittals for discretionary permits (Modifications, Use Permits, Variances, etc.). The budget also provides increased funds for additional overtime, which has proven necessary to keep up with our ever increasing workload.

- Process all plans and permits in a friendly, efficient, accurate and timely manner.
- Enforce standards specified in all State and City planning, zoning, development, and environmental review laws.
- Provide high quality staff services to the Planning Commission.
- Support EQAC's efforts in the EIR review process.
- Support the EDC and implement the City's economic development policies and programs.
- Administer the CDBG program.
- Provide City support for four Business Improvement Districts.
- Continue implementation of Housing Element Programs.

This Year's Objectives

- Complete the General Plan Update and the Strategic Plan for Economic Development.
- Complete preparation of the Implementation Plan and gain certification of the Local Coastal Program.
- Amend Zoning Code to simplify development regulations.
- Implement new Sign Code and related Design Guidelines.
- Participate in implementation of the Corona del Mar Vision Plan.



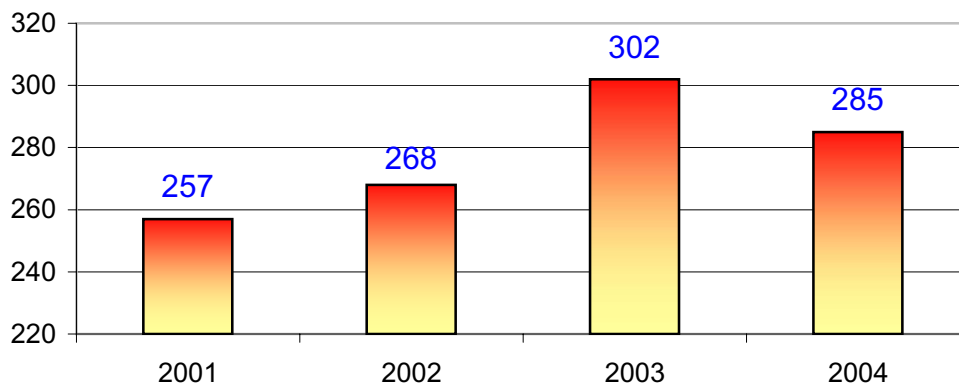
PLANNING DEPARTMENT (Continued)

Zoning Plan Check demands continue to increase, which is illustrated in the service indicator increases in the Building Department. Discretionary planning permit cases are also increasing, as reflected below. There is a decrease in Modification Permits, which is likely to be an ongoing effect of the changes made to the findings for the approval of Modification Permits. However, this reduction is offset by increases in Condominium Conversions and other applications also handled by the Zoning Administrator.

Performance
Review

Service Indicators	2002-2003 Actual	2003-2004 Actual	2004-2005 Estimated	2005-2006 Projected
<i>Application Type</i>				
General Plan Amendment	3	10	10	10
Code Amendment	9	10	15	18
Variance	8	5	4	5
Use Permit	56	52	49	50
Tract Map	2	0	6	10
Modification	126	123	96	100
Condominium Conversion	11	12	23	25

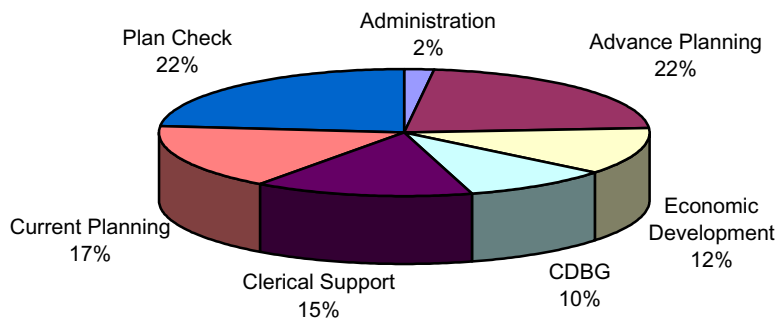
Planning Activities or Projects



Planning/Administration Staffing: 16 \$1,839,084
Planning Commission Environmental Quality Affairs Committee Advance Planning Current Plans & Projects Plan Checks Environmental Review GIS/Data & Demographics Regional Planning Activities Housing

Economic Development/CDBG Staffing: 3 \$672,660
Economic Development Committee Peninsula Revitalization/PROP Committee Business Improvement Districts Business Retention/Recruitment CDBG

The Planning Department includes three divisions, Planning, Economic Development, and Community Development Block Grant, which provide resources for the Department's seven primary activity areas: Current Planning, Plan Check, Advance Planning, Economic Development, CDBG, Clerical and Administrative Support. The following chart illustrates department expenditures by function.



	2002-03 Actual	2003-04 Actual	2004-05 Estimated	2005-06 Proposed
Salaries and Benefits	\$ 1,414,536	\$ 1,457,295	\$ 1,627,813	\$ 1,819,579
Maintenance and Operations	\$ 1,005,620	\$ 728,747	\$ 1,267,220	\$ 473,807
Capital Outlay	\$ 26,973	\$ 31,695	\$ 44,443	\$ 41,500
CDBG Fund	\$ 150,623	\$ 149,981	\$ 188,104	\$ 176,858
Total	\$ 2,597,752	\$ 2,367,718	\$ 3,127,580	\$ 2,511,744

BUILDING DEPARTMENT

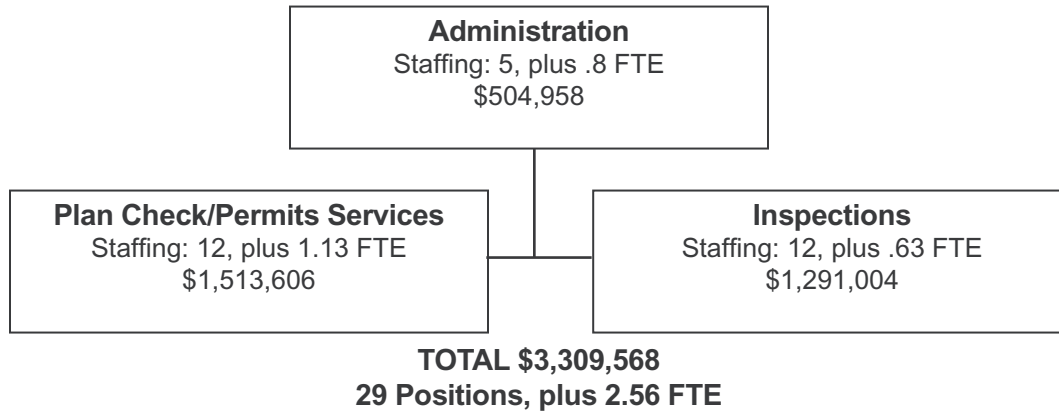
To ensure the quality of life of those who live, work, and visit the City of Newport Beach by promoting safety in the regulation of the construction, use, and occupancy of buildings and by taking a customer oriented approach to finding educated, cost effective solutions

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.

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.
- Implement issuing a combination building permit.
- Continue to look for ways to improve service delivery to our customers.
- Encourage and facilitate staff continued education and training to effectively and efficiently perform their duties.
- Continue the quality assurance program for all department activities.
- Continue to process permit applications and drawings efficiently and complete 90% of all plan reviews within 4 weeks turn-around goal.
- Continue to track and coordinate plan check turn-around time to verify that all departments meet the four weeks turn-around goal.
- Enforce Building and State mandated standards, including related provisions of the Newport Beach Municipal Code.
- Utilize new technological advances to make customer dealings with the Building Department more efficient and convenient.
- Achieve consistency in inspections and interpretations by inspectors 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.
- Implement record management plan by the newly appointed records specialist.
- Automate plan check correction lists.
- Streamline the mechanical, electrical and plumbing plan check process.



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

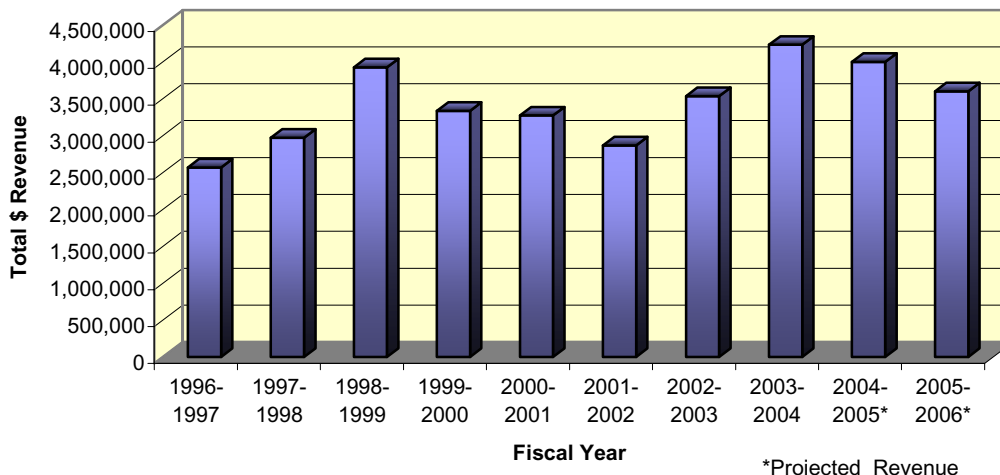
Department Highlights

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.

Projected Construction Activity During Fiscal Year 2004-2005

Total Construction Valuation:	\$222,470,000
Number of Building Permits:	3,520
Total Number of Permits:	9,850
Number of Plan Submittals:	2,930
Total Inspections:	37,200

Building Department Revenue



BUILDING DEPARTMENT (Continued)

Administration staff is responsible for both customer service and assisting other staff members. Administration works with walk-in customers as well as answering a large volume of phone calls, including monitoring the main office line. Phone tasks include helping with inspection requests, relaying inspection times, providing flood zone determinations, taking citizen complaints about unsafe and/or illegal construction occurring in their neighborhood, handling public utility releases, and answering a wide variety of different customer questions.



Customer reviewing microfiche

Administration is responsible for the archiving of documents, including permits, plans, engineering calculations, geotechnical reports, and correction lists. These documents are scanned and built into the Alchemy 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 is currently working on the long process to migrate all documents, including thousands of older microfiche files into digital format, accessible via Alchemy software with a CD backup in storage. Original plans for projects under construction are stored and filed by administrative staff. The number of plans maintained at one time is usually so large that they do not fit in the dedicated storage room and overflow space is required.



Overflow bins for active project plans

Plans and permits from the annexed areas of Newport Coast, Santa Ana Heights, and Bay Knolls are being added to Alchemy in specially named databases as the County of Orange makes them available to us.

Administration is also responsible for a number of tasks intended to assist Plan Check/Permits Services and Inspection staff including the distribution of correspondence both incoming and outgoing, and completing many complex reports.

Plan Check/Permits Services processes applications for construction permits and associated drawings and performs plan review to make sure a project meets code requirements and is safe before construction starts. 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. Assistance on the technical requirements of codes is provided over the counter to homeowners, contractors, architects and engineers by Building Department staff engineers. The Building Department is recruiting to hire two additional plan check engineers in addition to the current staff of four engineers in an effort to do a higher percentage of plan review in-house and reduce the number of plan check done by outside plan check consultants. The plan check division is proud of its quality and timely processing of all construction documents and permits.

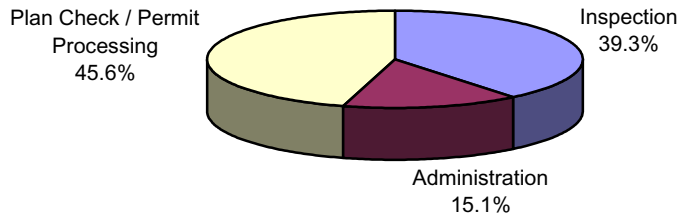
Inspection ensures that construction projects conform to the approved plans as well as the various building codes and local ordinances and that the site conditions are, as presented, on the plans approved by the City. The Inspection Division is comprised of commercial and residential units, which allows 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.



Building Department counter

Under the commercial inspection unit, we perform light commercial combination inspections. This benefits our customers since they are dealing with one inspector for several building trades. In addition, we became more efficient by 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 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 a handheld computer system that they carry with them in the field.



The inspectors input and maintain all records electronically, which keeps our records accurate up to the current day and gives the inspector access to permit records while in the field. This technology has helped us manage record levels of construction activity within the City.

	2002-03 Actual	2003-04 Actual	2004-05 Estimated	2005-06 Proposed
Salaries and Benefits	\$ 2,189,527	\$ 2,385,288	\$ 2,666,216	\$ 3,003,161
Maintenance and Operations	\$ 581,940	\$ 638,336	\$ 340,416	\$ 279,907
Capital Outlay	\$ 44,529	\$ 42,048	\$ 34,707	\$ 26,500
Total	\$ 2,815,996	\$ 3,065,672	\$ 3,041,339	\$ 3,309,568

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

- Maintain high levels of Citywide cleanliness
- Provide exemplary level customer service to the public, other departments, and agencies
- Attain water quality goals
- 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 eight divisions, including one non-staffed division. The eight divisions are identified in the organizational chart located on the next page.

Department functions include residential refuse collection and recycling, maintenance of the City urban forest, parks and landscaped areas, storm drains, tide valves, beaches, traffic signs and pavement markings, and public facilities. The Department also maintains public streets and sidewalks and manages the City fleet of vehicles and equipment.

The Department's main objectives will focus once again on service to the public and other City departments. Water quality issues continue to be at the forefront in Fiscal Year 2005-06 and will continue to be a high priority as Department staff proceed to develop and coordinate new efforts to ensure compliance with all State and local enforcement agency requirements.

Budget Highlights

Fiscal Year 2004-05 proved to be as challenging as expected, and the well-planned operational and budgetary adjustments developed at the beginning of that fiscal year have simplified budgetary planning for Fiscal Year 2005-06.

No major changes are anticipated to any General Services Department operations or personnel levels during the new fiscal year. The budget includes a staffing level of 125 full-time positions. The budget also includes minor increases to maintenance and operation budgets to compensate for increased costs.

The budget increases primarily reflect rate increases in contractual obligations, as well as in the case of utility accounts to operate City facilities. The increases will also fund additional refuse collection service addresses in Newport Coast as new homes are completed, the Newport Coast landscaping contract, contract landscaping services for roadsides and medians in Newport Ridge, contracted tree maintenance in Newport Coast, increased City-wide maintenance of problem parkway trees, and the maintenance of additional parkland.

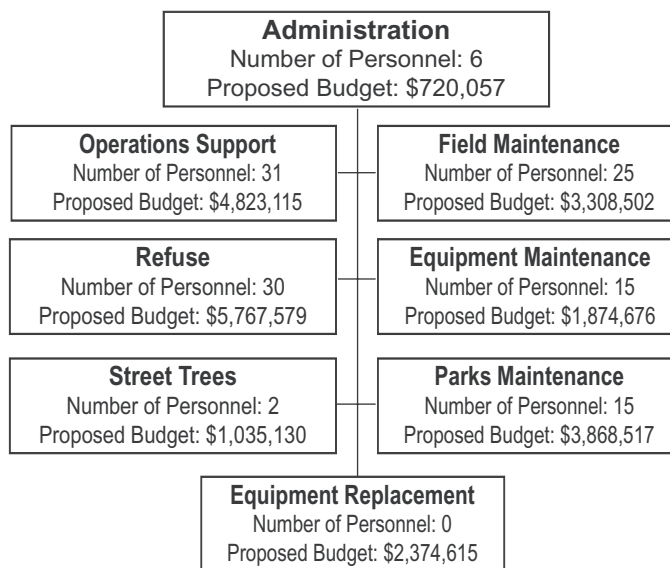
The Department will also continue to address any new issues that arise in the more recently annexed areas of Santa Ana Heights and Bay Knolls. Weekly street sweeping services will continue in those areas, as well as storm drain, street, sidewalk, and street tree maintenance services.

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

Resource Distribution

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

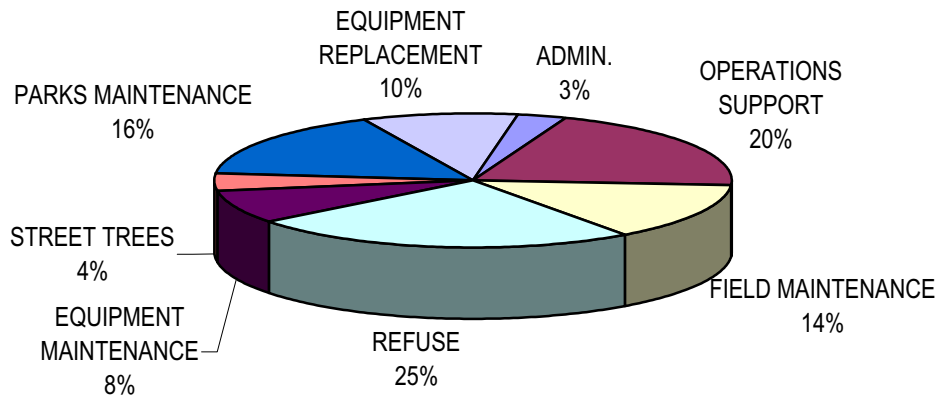
- Administration
- Field Maintenance
- Operations Support
- Refuse Collection
- Parks Maintenance
- Street Trees
- Equipment Maintenance
- Equipment Replacement



Total \$23,772,191

124 positions

GENERAL SERVICES (Continued)



Asphalt Crew

Meeting the Challenge

Although the General Services Department does not anticipate any new service challenges, staff will be looking forward to another successful year of performing all on-going maintenance and operations programs. During Fiscal Year 2005-06, the Operations Support Division will continue to evaluate the current alley sweeping schedule to identify areas for improvement. The Storm Drain Crew will continue to be challenged with protecting properties on the Balboa Peninsula and Balboa Island as a result of increasing tidal heights which now peak at over eight feet. The Division will play an important role in identifying deficiencies relating to bulkheads and seawalls. This Division will also coordinate urban run-off and water quality efforts with the City Code and Water Quality Enforcement Division. These efforts will include expanding the storm drain inlet guard program on Balboa Peninsula as well as ensuring that City storm drain and v-ditch systems are free of debris in advance of the next winter storm season.



General Services storm and flood response

In Fiscal Year 2004-05 the Concrete Maintenance Crew implemented a pilot root-pruning program that was initiated in March 2004 with the purchase of a root-pruner. There has been wide success with this program and it will continue through Fiscal Year 2005-06 with a focus on preventing hardscape and sidewalk damage in Corona Del Mar as well as other City areas.

In Fiscal Year 2005-06, the City will continue to downsize its electric vehicle program. Unfortunately, policy changes to State mandates have decreased the availability of full-size electric vehicles over the past two years. Last Fiscal Year, following the end of lease terms on several EVs and the decision of the automakers to stop electric vehicle production, the City decreased the size of its fleet to 12 electric vehicles. By the end of Fiscal Year 2005-06, only four EVs will remain in the fleet. In the interim, the General Services Department will continue to research other cost effective technologies to continue its alternative fuel vehicle program. Electric Vehicle program costs in Fiscal Year 2005-06 will be funded with AB2766 Subvention Funds and grants obtained through the South Coast Air Quality Management District (SCAQMD).

Other environmental efforts will continue in Fiscal Year 2005-06 such as monitoring of construction and demolition contractors' recycling efforts, the continued monitoring of a new demolition ordinance to ensure that only franchised haulers are used on demolition projects throughout the City, and continued refuse inspection tasks to address health and safety concerns associated with residential waste collection practices. These efforts are expected to continue to have a positive impact on the City's residential refuse collection operation by further minimizing the occurrence of prohibited wastes such as construction wastes and hazardous materials from entering the residential waste stream and local landfills.

GENERAL SERVICES (Continued)

The Field Maintenance Division will be faced with the enormous challenges created by the recent relinquishment of East Coast Highway by Cal Trans to the City of Newport Beach. In addition, the Division will continue its root pruning program, which aids in reducing future root damage to hardscape and sidewalks throughout the City. The Division is also proud to report a dramatic decrease in the amount of deferred maintenance to hardscape, sidewalks, and streets throughout the City. Fiscal Year 2005-06 will see the Division continuing to work to further decrease its deferred maintenance backlog.

The Equipment Maintenance Division will continue to be challenged by additional AQMD and CARB regulations which affect the heavy truck fleet, such as refuse trucks, street sweepers, and dump trucks. Operators of refuse truck fleets, including the City, are required by CARB to install expensive particulate traps on refuse trucks in phases by 2010. These were installed on 10% of the fleet in FY 04-05 and will be installed on a similar number of trucks in FY 05-06. The City continues to take a wait and see attitude toward the AQMD fleet rules requiring new heavy trucks to be powered by alternative fuels. Staff continues to examine lower-cost alternatives to replacement, such as replacing only truck bodies on viable diesel-powered chassis. In FY 05-06, the Division will develop specifications and administer the purchase of 56 pieces of equipment for various City departments.



Residential refuse collection

In addition to the above operational objectives, the General Services Department will continue its efforts to increase productivity and efficiency while providing a high level of service to the public, the business community, and other internal City departments.



Street Maintenance Crew

Service Level Indicators	2002-03 Actual	2003-04 Actual	2004-05 Estimated	2005-06 Projected
Public Restrooms Serviced	56	56	56	56
City Restrooms Serviced	96	96	96	96
City Buildings Serviced	70	71	72	72
Sidewalk Repair (square feet)	55,000	50,000	50,000	50,000
Street Patching (tons of mix)	5,500	5,000	4,500	4,000
Curb & Gutter Replacement	3,500	3,000	3,000	3,000
Street Sweepings (miles)	52,000	55,000	56,648	56,648
Beach Cleaning (tons of refuse)	3,200	4,000	3,500	3,500
Regulatory Signs Posted	4,000	3,000	3,500	3,500
Street and Pavement Marking (feet)	300,000	200,000	175,000	500,000
Graffiti Incidents	1,100	2,525	2,600	2,500
Refuse (number of homes)	30,600	30,600	30,621	36,630
Refuse Collected (tons)	45,594	45,594	45,626	45,626
Number of Parks Maintained	48	48	48	50
Number of Trees Trimmed*	14,890	14,890	14,550	14,550
Number of Vehicles Serviced	4,000	4,100	4,100	4,100

* Tree Trimming projections includes City staff and contractual efforts.

	2002-03 Actual	2003-04 Actual	2004-05 Estimated	2005-06 Proposed
Salaries and Benefits	\$ 7,423,400	\$ 7,821,114	\$ 8,478,104	\$ 9,002,787
Maintenance and Operations	\$ 7,948,733	\$ 8,902,394	\$ 10,033,172	\$ 10,488,012
Capital Outlay	\$ 44,559	\$ 17,637	\$ 34,085	\$ 32,100
Internal Service Funds	\$ 3,824,754	\$ 3,687,090	\$ 4,896,783	\$ 4,249,292
Total (1)	<u>\$ 19,241,446</u>	<u>\$ 20,428,235</u>	<u>\$ 23,442,144</u>	<u>\$ 23,772,191</u>
Personnel	126	124	124	124

(1) 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, Mariners, Corona del Mar, and Balboa, offer a diverse range of informational resources, special programs for every age, and public services such as the Literacy Program. Recently rated in the top 4% of American Public Libraries in the same population category, the NBPL annually serves over 870,000 customers with its informational resources and over 27,000 with its special programs and events. A City Council appointed Board of 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.

Budget Highlights

The highlight of the 2004-05 FY was the 10th Anniversary Celebration of the Central Library. With the theme Newport Reads: The Next Chapter, an entire week of festivities and special programs was kicked off with over 300 library supporters attending a gala dinner event at the Newport Marriott Hotel. Other events included an Art Exhibit, Volunteer Appreciation Tea, Teen Night, Mystery Writer's Panel, Children's Day, and special guest speakers Huell Howser and Duvall Hecht.

Library services were improved with the addition of wireless technology at all four Library branches, laptop computers for use by the public at the Library, several new databases, and a new "Self-Checkout" system. We instituted a fundraising program by adding an icon to our home page to allow customers to order items from Amazon. Amazon generously gives the Library a small percentage of each purchase made through our home page.

Construction of the new Donna and John Crean Mariners Branch Library began in February 2005. One of the highlights for FY 2005-06 will be the opening of the Donna & John Crean Mariners Branch Library with an increase in hours of service and computer access points.



*Library Trustee Bill Williams, John and Elizabeth Stahr
with guest speakers Patt Morrison and Ed Arnold at the
Central Library's 10th Anniversary Celebration*

In FY 2005-06, Library Services staff will continue to expand resources and maintain the quality services that the community expects. With the support of our Friends and the Foundation we anticipate developing a teaching program to help customers more effectively utilize library resources. We also expect to continue our tradition of innovation by beginning to circulate iPods with downloaded e-books. The Library Web page will be updated to improve ease of use and a new children's page will be unveiled.

Planned improvements for the Central Library include new carpeting which is scheduled for this winter; during the recarpeting the upstairs area of the Central Library will be reconfigured to add more comfortable seating for our customers.

In FY 2005-06, the Library will keep pace with the electronic technology to assist our customers in procuring business, educational, and entertainment information and providing public computer training workshops for using the Library Catalog and databases.

City funds are augmented by the 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.



Curious George entertains at Children's Day

Primary Goals

- Maximize the resources of the Library to touch the lives of the Newport Beach community
- Provide a broad range of educational, cultural and leisure opportunities for all ages
- Support the work of the Board of Library Trustees, the City Arts Commission, and the Sister Cities Commission

<p>Library Services Staffing: 37 FT; 22.56 FTE \$5,238,126</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</p>

<p>Arts & Cultural Services Staffing: 1 FT \$189,809</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 through the Library's Web page, www.newportbeachlibrary.org. The Library provides a strong one-on-one literacy program, staffed by part-time Library staff and volunteers, and funded by donations and state grants.

Adult Programs

The Library offers a diverse range of adult programs, Sunday musicales, computer training workshops, and special literary and book-related events with author appearances. The Library also hosts the annual Distinguished Speakers Lecture Series, which is sponsored and funded by the Newport Beach Public Library Foundation. The Library's "Time for Tales" and "Read World" air as regularly scheduled programs on Adelphia Channel 3 and Cox Channel 30. The Library continues its outreach to seniors with programming and a book-drop at OASIS, and the homebound delivery service.

Children and Teens

The annual Summer Reading Program, children's storytimes, Christmas Puppet Show, Parent-Child Book Club, American Girl Tea Parties, Afternoon Movies, Scavenger Hunts, Teen Poetry Slam, and other programs geared toward 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.



Teens gather at Poetry Slam

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, Shakespeare by the Sea, and an Arts Lectures, Workshops and Performances Series. 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.



Arts & Cultural Services presents Shakespeare by the Sea

Service Indicators	2002-2003 Actual	2003-2004 Actual	2004-2005 Estimated	2005-2006 Projected
Library Circulation of Materials	1,347,583	1,392,346	1,449,264	1,478,252
Customers Served	839,157	870,550	832,817	849,473
Reference Questions Asked	171,381	170,380	166,718	170,052
Program Attendance	27,344	27,606	31,311	31,937
Remote Online Users*	-	-	112,761	115,015
Juried Shows/Art Exhibits Attendance*	-	-	1,850	1,924
Cultural Programs Attendance*	-	-	7,465	7,766
Cultural Grants Awarded	\$40,000	\$40,000	\$40,000	\$40,000
Sister Cities Grant Awarded*	-	-	\$11,500	\$16,500

*Statistical information unavailable prior to 2004-2005

	2002-03 Actual	2003-04 Actual	2004-05 Estimated	2005-06 Proposed
Salaries and Benefits	\$ 3,556,261	\$ 3,515,696	\$ 3,759,340	\$ 3,995,915
Maintenance and Operations	\$ 1,520,729	\$ 1,528,527	\$ 1,452,217	\$ 1,320,919
Capital Outlay	\$ 91,329	\$ 46,114	\$ 109,836	\$ 111,100
Total Expenditures	\$ 5,168,319	\$ 5,090,337	\$ 5,321,393	\$ 5,427,934
General Tax Revenue	\$ 4,128,372	\$ 3,942,537	\$ 4,314,450	\$ 4,982,934
Fees for Services	\$ 42,676	\$ 44,318	\$ 29,000	\$ 29,000
Intergovernmental Reimbursements	\$ 544,312	\$ 479,207	\$ 124,595	\$ 296,000
Other Miscellaneous Revenue	\$ 452,959	\$ 624,275	\$ 853,348	\$ 120,000
Total Revenue	\$ 5,168,319	\$ 5,090,337	\$ 5,321,393	\$ 5,427,934

Performance
Review

Allocation
Plan

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 to our Department, all of which helped to create a strong service oriented Recreation & Senior Services Department with a mission of enhancing the quality of life for the Newport Beach community. The largest addition was the three new surfing camps added in summer 2004 which allowed us to serve an additional 680 youth surfers on Newport's beaches. Also the completion of the Cliff Drive Park Playground Renovation Project was a welcome accomplishment. Funded with Bond Act of 2000 Grant Funds, the project was also augmented with community assistance and volunteer work on the mosaic tile wave wall.



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 services that serve a population ranging from newborn babies, to the very active retired community. In addition, this Department oversees the use of the City's 62 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*, that is mailed to each home in the City and informs residents about each Division's services and available fee-based activities, is now also accessible online. Residents are able to access department program information through our Web site and register for classes and programs online. With each new season of classes and activities we have seen a steady increase in our online customers. This past year we introduced two new marketing tools, the City Scenes insert into the *Newport Navigator* and the Summer Preview Brochure designed to come out a month before the *Navigator* to allow parents the time to plan for their children's summer camps before May. The City Scenes is a four page color layout that focuses on hot issues of interest in the city such as new development, changes in local laws, or new services offered at the City.

Primary Department Goals for 2005-06

- Continually evaluate towards improvement the quality of programs and services offered to the public
- Strive for greater success in marketing our programs and services both internally and externally
- Continue recruitment of quality staff and work on long term retention
- Search for alternative funding to allow program expansion

- Continue to take a lead role in the planning and preparation for the City's Centennial in 2005-06
- Participate in and support efforts for the two Community Center projects slated for both the Santa Ana Heights and Newport Coast Communities

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 or fitness classes. Over 100 contractors provide class instruction or umpires for adult sports leagues. Professional 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 35 part-time staff such as recreation leaders, recreation clerks and swim instructors. The Division also includes two full-time field and building maintenance workers, one full-time department assistant, and a part-time marketing specialist.

City operated youth sports programs attract over 1000 children annually and Youth Sport Organization Members such as youth soccer and baseball serve over 3000 youth annually.

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.

<p>Recreation & Senior Services Department Administration Staffing: 2 FT; 1.32 FTE \$434,789</p>
<p>Front Office and Public Counter Services Fiscal Services Web Site and Online Registration Parks, Beachs & Recreation Commission Support</p>

<p>Recreation Services Staffing: 12 FT; 17.25 FTE \$3,003,605</p>
<p>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</p>

<p>Senior Services Staffing: 10 FT; 0.13 FTE \$895,241</p>
<p>Recreational Programs Educational Classes Congregate and Home Delivered Meals Transportation Program Outreach Services Family Support Special Events Information and Referral Facility Management/Reservations</p>

Department Organization

RECREATION & SENIOR SERVICES (Continued)



Picnic areas, fields, and meeting rooms are available for reservation and staff processes over 1000 requests each year. There are over thirty playgrounds throughout the City for children ages 2-12. In the coming year this Division will also focus on the continuing refurbishment of some park sites with new playground equipment and play surfaces.

The Division is also the coordinator of Special Event Permits for the City of Newport Beach and processes over 300 permits per year for events large and small. The recreation staff is also focusing on securing sponsors for a new summer program of *Movies in the Park* and to continue the popular Sunday Fun-Day event in August.

Recreation Services Goals

- Develop a Marketing and PR Plan for the Department
- To establish a higher standard of maintenance for fields and buildings by better tracking and more frequent inspections
- To raise the quality of customer service in aquatics programs
- To develop an e-mail distribution system for Youth Sports Flyers and packets
- Raise the level of service expectations in contracted officials and instructors



Senior Services

The Senior Services Division offers a wide variety of activities from exercise to art. The goal of this Division to provide older adults with activities and services that enrich their lives as well as providing them the ability to live independently. This Division is responsible for the operation of the OASIS Senior Center as well as numerous activities that reach out to our Senior population. This Division is active five days a week coordinating educational classes, exercise programs, art education, health promotion, transportation, counseling, and support functions for seniors.

The Senior Services Division coordinates a variety of services related to education, recreation, advocacy, health, nutrition, counseling, and support functions for seniors. These programs and activities provide for older adults' evolving needs such as health screening and a fitness program which addresses preventative health issues. Computer courses and networking groups keep seniors up-to-date with new technology. Great Books discussions, bridge, foreign language and creative



writing courses provided options for seniors to exercise mental faculties.

OASIS enjoys the assistance of over 100 volunteers who work daily assisting 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.

The OASIS Senior Center also enjoys a strong informal partnership with the Friends of OASIS who are established to support the activities of the center through charitable

contributions and enhanced activities. Through the generosity of the Friends this past year the Center has been able to expand its transportation program to include a fourth van and driver. The staff at OASIS have forged relationships with many community organizations in order to enhance and expand the services provided to the community. These organizations include: South County Senior Services, OC Department of Health, Coastline College, UCI, Hoag Hospital, Braille, HICAP (Health Insurance Counseling and Advocacy Program), and OCTA.



Senior Services Goals

- Develop a marketing and outreach plan to attract the baby boom generation which will include a new Center brochure
- Develop a plan for a Capital Campaign to re-build the Senior Center
- Successfully expand the transportation program in order to increase the number of people we can serve
- Continue to develop additional inter-generational programs

Service Indicators	2002-2003 Actual	2003-2004 Actual	2004-2005 Estimated	2005-2006 Projected
Recreation Services				
Special Event Permits	325	332	275	280
Facility Rentals	912	1,020	1,200	1,200
Recreation Program Attendance	289,846	314,007	325,000	330,000
Co-Sponsored Youth Organizations	169,736	185,627	190,000	190,000
Senior Services				
Programs/Classes	65,940	63,000	70,000	70,000
Human Services	26,512	25,000	25,000	25,000
Transportation Services	12,094	13,000	12,000	16,000

	2002-03 Actual	2003-04 Actual	2004-05 Estimated	2005-06 Proposed
Salaries and Benefits	\$ 1,559,180	\$ 1,728,544	\$ 2,066,689	\$ 2,320,549
Maintenance and Operations	\$ 1,432,214	\$ 1,616,908	\$ 1,915,153	\$ 1,998,085
Capital Outlay	\$ 16,187	\$ 13,099	\$ 21,200	\$ 15,000
Total Expenditures	\$ 3,007,581	\$ 3,358,551	\$ 4,003,042	\$ 4,333,634
General Tax Revenue	\$ 1,403,976	\$ 1,562,796	\$ 2,019,097	\$ 2,135,759
Fees for Services	\$ 1,593,320	\$ 1,723,170	\$ 1,910,945	\$ 2,120,875
Other Miscellaneous Revenue	\$ 10,285	\$ 72,585	\$ 73,000	\$ 77,000
Total Revenue	\$ 3,007,581	\$ 3,358,551	\$ 4,003,042	\$ 4,333,634

Performance Review

Allocation Plan

PUBLIC WORKS

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

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
- Operate and maintain the City's roads, bridges, intersections, traffic signals, and parking meters in an efficient and innovative manner
- Provide outstanding customer service and engineering expertise 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 Department of Public Works is responsible for the design and construction of the City's roads, intersections, bridges, sidewalks, storm drains, water and sewer systems, street lighting, public building facilities, and parks. The Department also protects public property from encroachment, ensures the safe construction of private parties working in the public right-of-way,

and reviews plans for residential and commercial development. Public Works adds quality and safety to our lives through the use of traffic signals, signage, and pavement maintenance. The Public Works Department operates as three divisions: Administration, Engineering Services, and Transportation and Development Services.



Administration provides overall support services for the Public Works Department. Areas of

responsibility include: centralized clerical services, records management, purchasing, contract management, customer service via email, phone, or front counter, budget administration, preparation of the Capital Improvement Program, personnel administration, permit issuance, and Geographical Information Systems (GIS).

Engineering Services is primarily responsible for the implementation of the Capital Improvement Program, including the planning, design, construction, and inspection of the City's major capital improvement projects. The design phase of a capital project may include: feasibility and environmental studies, review of capital project plans, preparation of specifications and cost estimates, preparation of local, State, and Federal funding applications, right-of-way acquisition, permit application processing, utility coordination, and public information workshops. Construction Engineering includes inspection services, topographic surveys and maps, construction staking boundary maps, encroachment surveys, and preparation of "As Built" construction drawings.



Transportation and Development Services is responsible for traffic engineering, transportation planning, subdivision engineering, traffic signal system, parking meter operations, Underground Assessment Districts, and encroachment permit processing. This division provides support services to most other departments and works closely with the Building and Planning Departments to coordinate the processing of all building, land use, and development activities in the City.



PUBLIC WORKS (Continued)

Department Highlights

The following projects are just a few of the many projects the department has begun or completed as a function of the Capital Improvement Program during the 2004-05 fiscal year:

- MacArthur Blvd./Jamboree Rd. Intersection: This \$2 million cooperative project with the City of Irvine added north and southbound left turn lanes on MacArthur Boulevard and a right turn lane from northbound MacArthur Boulevard to northbound Jamboree Road.
- Big Canyon Reservoir Floating Cover and Disinfection Facilities: This \$4.3 million, award-winning project covered the reservoir with a flexible floating membrane. Water quality will be improved and treatment costs will be reduced as a result of the cover installation.
- Newport Coast Elementary School Loop Road: This cooperative project with Newport Mesa Unified School District constructed a loop road at Newport Coast Elementary to provide relief from the severe traffic congestion and unsafe conditions which occurred at Newport Coast Elementary School every morning and afternoon as parents attempted to pick up and drop off their children.
- Coast Highway Channelization: This \$800,000 contract will provide median improvements in the Corona del Mar area. Partly funded by the CDM Business Improvement District, this project will replace existing striped medians and improvements and install new landscaping and irrigation systems.

The Department's FY 2005-06 Capital Improvement Program includes the following major projects:

- Construction of the Donna and John Crean Mariners Branch Library: State Library Grant Funds and local contributions are being used to construct a new branch library as a joint use project with Mariners Elementary School. The project provides for a new 15,125 square foot library, 50 space parking lot, and tennis courts. Completion is anticipated in spring 2006.
- Morning Canyon Stabilization: A stabilization study was recently conducted and a recommended design was approved by Council. These stabilization measures are included in the upcoming CIP and are expected to cost approximately \$650,000.
- Ocean Pier Repairs: This project will fund Newport and Balboa Pier repairs as documented in the Ocean Pier Inspection Report dated November 2004. The repairs will mainly consist of pile and cross-bracings, but will include the Newport Pier Ramp-Gangway repair.

- **City-Wide Signal System Improvement:** This \$760,000 project will install new controllers and fiber interconnects at various intersections and arterial segments. The proposed projects include signals along MacArthur Boulevard, Coast Highway, Avocado Avenue, San Joaquin Hills Road, and Newport Coast Drive.

Administration Staffing: 6, plus 0.72 FTE \$705,718
Budget and Contracts Personnel Administration Permit Issuance Records Management

Engineering Services Staffing: 15, 1 FTE \$1,831,220
Special Projects Capital Projects Design Construction

Transportation & Development Staffing: 13 FT; 1.01 FTE \$1,867,577
Traffic Engineering Traffic Operations Subdivisions Parking Meters

	2002-03 <u>Actual</u>	2003-04 <u>Actual</u>	2004-05 <u>Estimated</u>	2005-06 <u>Proposed</u>
Salaries and Benefits	\$ 2,781,929	\$ 3,128,134	\$ 3,356,783	\$ 3,648,877
Maintenance and Operations	\$ 703,745	\$ 585,037	\$ 785,155	\$ 730,038
Capital Outlay	\$ 17,871	\$ 40,837	\$ 30,800	\$ 25,600
Total	<u>\$ 3,503,545</u>	<u>\$ 3,754,008</u>	<u>\$ 4,172,738</u>	<u>\$ 4,404,515</u>

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



Utilities Yard

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 include park sites, community buildings, water and sewer pump stations, oil wells, emergency generators, and over 6000 street and parking lot lights. Staff responds to over 2000 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 25 field personnel operates the pumps, reservoirs, and pressure reducing stations, performs water quality testing, provides meter reading services, responds to customer service requests, and performs year-round preventative maintenance on fire hydrants, shut-off valves, and over 200 miles of transmission mains.



The **Wastewater Division** staff of 11 field personnel operate 20 pump stations and maintain 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.

UTILITIES DEPARTMENT (Continued)

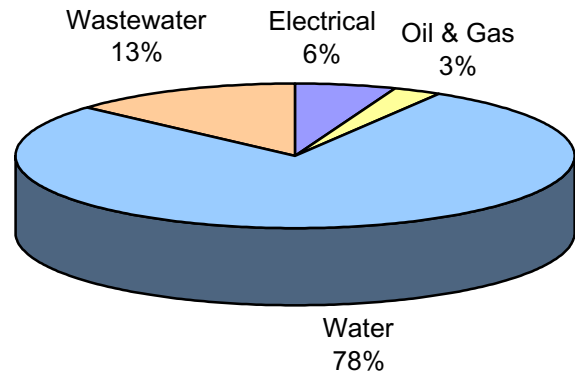
Department Organization

Electrical Staffing: 5, 0.5 FTE \$1,104,513
City Facilities Electrical Service Recreational Field Lighting Parking Lot Lighting Street Lighting

Oil & Gas Staffing: 0 \$474,738
Oil Production Gas Production Oil & Gas Remediation

Water Staffing: 34, 7.25 FTE \$14,533,191
Water Production Water Quality Water Conservation Meter Reading Reclaimed Water Customer Service & Education Water Maintenance & Repair Underground Service Locating

Wastewater Staffing: 13, plus 1.75 FTE \$2,460,432
Sewer Main Cleaning Manhole Maintenance Pump Station Maintenance Sewer Lateral/Cleanout Replacement



During this past year, the Big Canyon Reservoir Cover and Disinfection Project was completed. The cover was installed on the reservoir to improve the water quality and protect the City's drinking water source. The area of the cover is approximately 23 acre feet.



	2002-03 Actual	2003-04 Actual	2004-05 Estimated	2005-06 Proposed
Salaries and Benefits	\$ 4,312,510	\$ 4,643,204	\$ 4,867,761	\$ 5,232,786
Maintenance and Operations	\$ 10,551,483	\$ 12,500,459	\$ 12,822,669	\$ 13,287,438
Capital Outlays	\$ 102,889	\$ 61,876	\$ 80,995	\$ 52,650
CIP	\$ 6,570,686	\$ 5,939,082	\$ 14,237,216	\$ 6,763,766
Total Expenditures	\$ 21,537,567	\$ 23,144,621	\$ 32,008,640	\$ 25,336,640
Charges for Services	\$ 18,957,911	\$ 19,513,959	\$ 19,551,000	\$ 19,432,000
Intergovernmental	\$ -	\$ 1,608,507	\$ 1,586,295	\$ -
Use of Money & Property	\$ 976,195	\$ 145,244	\$ 550,000	\$ 472,538
Sales of Oil & Gas	\$ 903,622	\$ 1,040,881	\$ 835,000	\$ 905,000
Other Revenue	\$ 300,312	\$ 402,405	\$ 19,000	\$ 18,000
Transfer (To) From Reserves	\$ 399,527	\$ 433,625	\$ 9,467,345	\$ 4,509,102
Total Revenue	\$ 21,537,567	\$ 23,144,621	\$ 32,008,640	\$ 25,336,640

CITY OF NEWPORT BEACH

2005-2006 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 \$1,828,697. 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 \$2,420,075). Similar to the situation with Liability, there is an accumulated deficit for Workers' Compensation. Therefore \$3,199,421, or a projected excess of \$779,346 is being collected to cover the deficit.

Retiree Medical Insurance Fund. The Retiree Medical Insurance Fund is funded by both City and employee contributions. The contribution is based on a formula currently provided for in the Memorandum of Understanding between the City and the employees. The retiree medical fund is also used to accumulate funds to meet the cost of current and future retiree medical benefits.

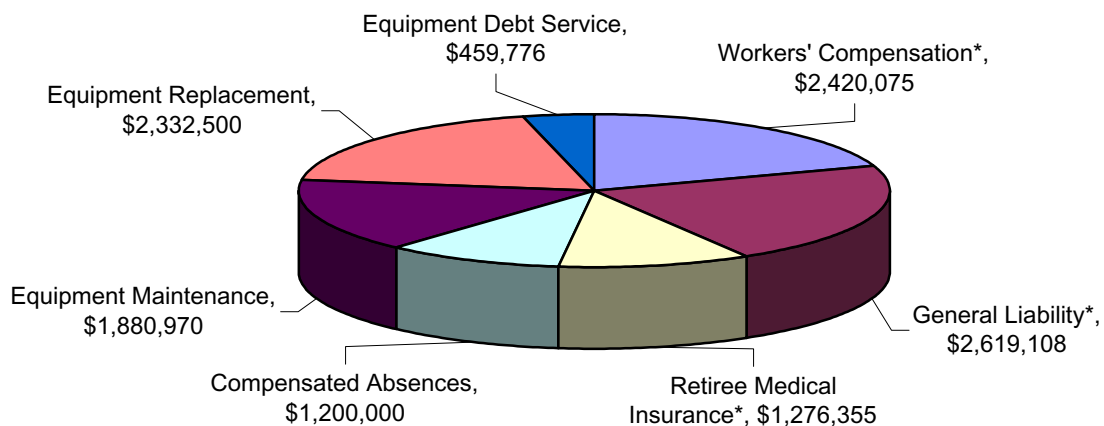
Compensated Absences Fund. Departmental payments into the Compensated Absences Internal Service Fund are based on a percentage of salary. That percentage is set at a level which will accumulate a sufficient monetary base within the fund to accommodate current year expenses. This year's contribution to the Fund for this purpose is budgeted at \$1,618,410. 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, on the one hand, and maintenance, on the other, 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.

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 Manager. 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 2005-2006, 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 2005-2006 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, 2005, amounted to \$5,570,000.

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, 2005, amounted to \$1,789,331. 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, 2005, amounted to \$420,773. 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, 2005, the outstanding balance was \$7,255,000 and interest payable was \$367,743.

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) is to transfer \$25 million to the City in exchange for the right to continue to provide water utility service to this area. With this \$25 million due from IRWD, the City will reduce the special assessment levies by \$1.2 million a year for 15 years as well as provide other considerations to the Newport Coast residents, i.e., the possible construction of a Community Center. At June 30, 2005, \$14,400,000 was outstanding under this agreement and \$7 million was designated for the construction of a community center.

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, 2005, the outstanding balance of this loan was \$2,276,000.

Debt Service Estimates 2005-2006

	Original Issuance	Balance 07/01/2005	Additions	Deletions	Balance 06/30/2006	2006		Principal Paid to Date
						Total Payments	Interest	
Refunding Library COP	7,330,000	5,570,000	-	(290,000)	5,280,000	565,000	275,000	2,050,000
Balboa Marina Loan	3,457,930	1,789,331	-	(156,542)	1,632,789	237,062	80,520	1,825,141
Water Revenue Refunding Bonds	14,225,000	7,255,000	-	(1,330,000)	5,925,000	1,644,623	314,623	8,300,000
Rolling Stock Leases	1,700,049	420,773	-	(254,326)	166,447	261,321	6,995	1,533,602
Section 108 Loan	2,400,000	2,276,000	-	(69,000)	2,207,000	189,514	120,514	193,000
Pre-Annexation Agreement	18,000,000	14,400,000	-	(1,200,000)	13,200,000	1,200,000	-	4,800,000
Total Debt Service	<u>47,112,979</u>	<u>31,711,104</u>	<u>-</u>	<u>(3,299,868)</u>	<u>28,411,236</u>	<u>4,097,519</u>	<u>797,651</u>	<u>18,701,743</u>

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 spent as follows: 75 percent for the purchase of high tech library equipment and 25 percent 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.

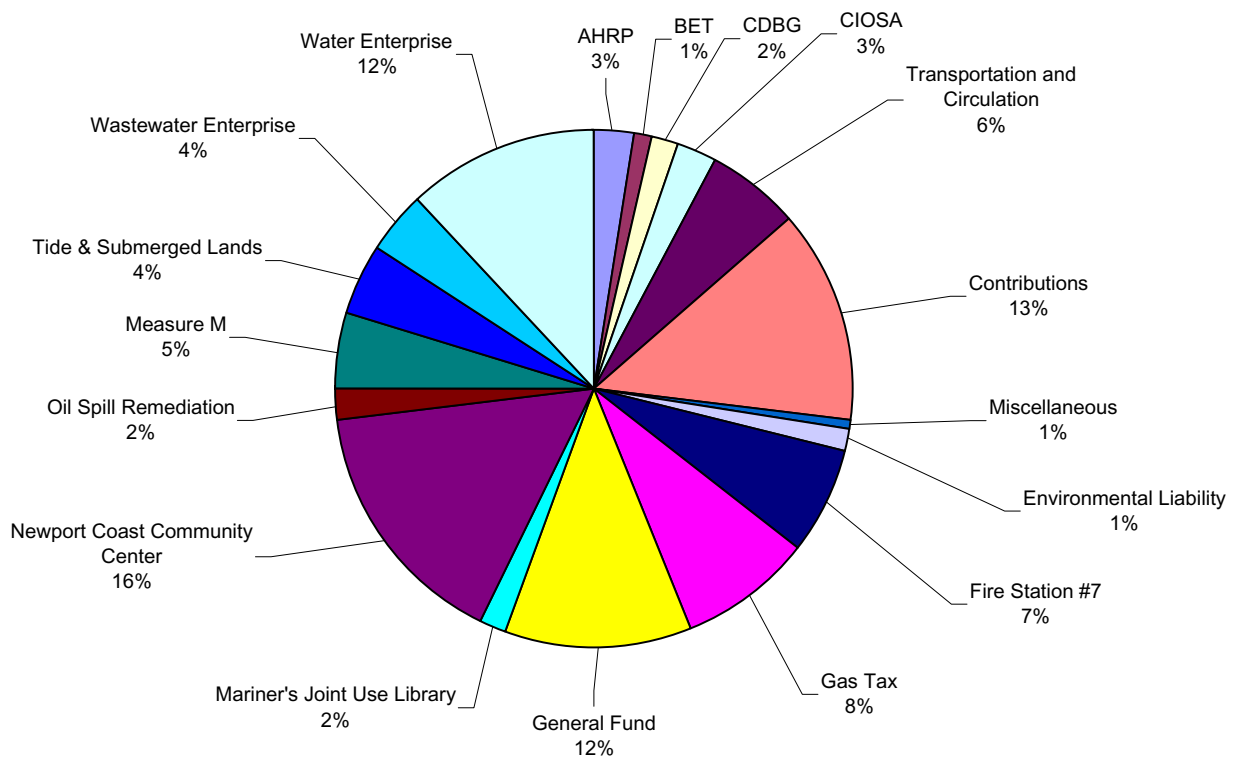
CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS

The City of Newport Beach Capital Improvement Plan (CIP) serves as a plan for the provision of public improvements, special projects, and on-going maintenance programs. Projects in the CIP include arterial highways; local streets; storm drains, bay and beach improvements; park and facility improvements; water and wastewater system improvements; and planning programs.

The FY 2005-06 CIP (including rebudgeted funds), totals roughly \$42.8 million and consists of nearly 175 projects. Individual project requests were compiled by each department and then submitted to the Public Works Department in January. The projects were prioritized and summarized by available funds and then reviewed by the Public Works Director. The Director of Public Works then met with each Department Director 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. Funding of the capital projects is derived from multiple funding sources, as follows:

2005-2006 Capital Improvement Projects by Fund (Includes Rebudgets)



General Fund

Projects funded by the General Fund include City facilities, storm drains, alleys, streets, and park projects. Major projects within this fund include:

- Repairs and improvements to various City facilities, including entry improvements for the Newport Theatre Arts Center, an elevator replacement for the Police Department, rehabilitation of classrooms at the Community Youth Center, and carpet replacement at the Central Library (\$839,000)
- Drainage Improvements (\$277,000)
- Sidewalk, Curb, and Gutter Replacement Program and Alley Replacement Program (\$415,000)
- Street, Bikeway, Parking Lot Improvements – Public Works/General Services (\$100,000)
- Various Park Improvements (\$348,000)
- Various monitoring and stabilization measures, including the Morning Canyon Stabilization Project (\$1,316,000)

Community Development Block Grant Fund

Community Development Block Grant (CDBG) funds are allocated to local governments from the Federal government, based upon a formula, and are required to be used within broad functional areas for community rehabilitation and housing. CDBG projects total \$739,000 this year and include:

- Balboa Village Improvements – Phase III
- City-Wide Curb Access Ramp Construction

Tide and Submerged Land Fund

The Tide and Submerged Land Fund is used to account for all revenues and expenditures related to the operation of the City's tidelands, including beaches and marinas. Projects in this fund total \$1,925,000. Major projects include:

- Balboa Island Bayfront Repair (\$402,000)
- Balboa Island Bulkhead Coping Repairs (\$200,000)
- Ocean Pier Repairs (\$488,000)
- Rivo Alto Bulkhead Coping Replacement (\$108,000)

Oil Spill Remediation

Oil Spill Remediation funds are the product of settlement proceeds from the American Trader Company. In February 1990, a tanker spilled more than 400,000 gallons of oil off the coast of Huntington Beach, which impacted Newport's beaches. As a condition of the settlement, Newport Beach is required to spend the funds on projects affecting the areas damaged by the spill. This year's project totals \$844,000 in rebudgeted funds:

- Ocean Safety Operations
- Balboa Peninsula Beach Walkway
- CDM Beach Improvements

CAPITAL IMPROVEMENTS (Continued)

Building Excise Tax Fund

The Building Excise Tax Fund is used to account for revenues received from builders and developers on building and remodeling projects within the City. Expenditures from this fund are used exclusively for fire safety, libraries, parks, beaches, or recreational facilities. Projects in the fund total \$421,600 and will be used for public facility improvements that include:

- Balboa Peninsula Station #1 Compliance Modification (\$95,000)
- Mariners Joint Use Library (\$100,000)
- Central Library Computer Replacement (\$38,400)
- Fire Training Facility (\$30,000)
- Repiping of Santa Barbara Fire Station #3 (\$65,000)

Water Enterprise Fund

Funds for capital projects in the Water Enterprise Fund are derived from water service charges and are used for the rehabilitation and expansion of the City's water service. Projects in this fund total \$5,172,000. The projects encompass distribution and piping; water system repairs; and pumping and operating. Major projects include:

- Programmed Pipeline Master Plan Replacement (\$1,442,250)
- Water Transmission Main Improvement Program (\$2,661,000)
- Water Main Master Plan Improvement Program (\$667,000)

Wastewater Enterprise Fund

Projects in this fund total \$1,591,000 and include sewer main and pump station improvements. Projects include:

- Master Plan Sewer Main Improvements (\$500,000)
- Buck Gully Force Main Realignment (\$400,000)
- Superior Avenue Trunk Sewer Improvements (\$300,000)
- Master Plan Sewer Pump Improvements (\$274,000)

Cooperative Projects

Cooperative Projects are projects funded with grant funds, Gas Tax, and Measure M revenues, which receive funding from sources outside the City, or are part of a joint venture with other agencies or entities.

Cooperative projects funding sources are as follows:

Gas Tax Fund

The State Gas Tax Fund accounts for all State Gas Tax related revenues and expenditures, including street repair, construction, and maintenance. Gas Tax funded projects total \$3,527,000.

Contributions Fund

The Contributions Fund is used to account for revenues received from grant programs, other governmental agencies, or private developers and are expended for specific street or highway construction projects. This fund also includes funds received from water quality grants and the Pacific Coast Highway Relinquishment. Projects in this fund total \$5,714,000.

Transportation and Circulation Fund

The Circulation and Transportation Fund is derived from fair share fees collected from developers and restricted for capital improvement projects that are a part of the circulation element in the City's General Plan. Projects in this fund total \$2,467,000.

Orange County Combined Transportation Funding Program

The Orange County Combined Transportation Funding Program (OCCTFP) combines funding from multiple sources, such as Measure M Local and Turnback funds \$2,020,725.

Circulation Improvement and Open Space Agreement Construction Fund

The Circulation Improvement and Open Space Agreement (CIOSA) is a development agreement between the City and The Irvine Company to finance expenditures relating to the construction and acquisition of certain public capital improvements. The CIOSA Construction Fund has been established to account for the construction proceeds and expenditures related to Special Assessment District No. 95-1. Projects in this fund total \$1,080,000.

Special Projects

This year there are three projects funded by multiple sources or using redevelopment funds. New funds for these projects total \$10,287,000 and are:

- Fire Station # 7 (\$2,856,000)
- Mariners Joint Use Library – FF&E (\$645,000)
- Newport Coast Community Center (\$6,786,000)

CONCLUSION

Once again, the City has undertaken an ambitious and wide-ranging capital improvement program. The projects are both significant and diverse, and will serve all areas of the City. Many of the projects have multi-year terms to completion. In those cases, only those phases of the projects scheduled during FY 2005-06 are budgeted and appropriated this fiscal year. It is the City's policy to appropriate sufficient funds for all projects scheduled during the coming budget year. If projects are not completed, nor funds encumbered by fiscal year-end, they are then reconsidered as part of the following fiscal year budget process.

APPENDICES

TIDE & SUBMERGED LAND FUND

Estimated Funds Available

Estimated Beginning Fund Balance	\$0	
Estimated Revenue for 2005-2006 - All Sources	<u>\$7,046,201</u>	
Total Funds Available		<u>\$7,046,201</u>

Estimated Chargeable Expenditures

Fire	\$10,988,662 *	
General Services	2,852,663 *	
Police	6,452,735 *	
Public Works	440,452 *	
Administrative Services	65,061 *	
City Manager - Water Quality & Code Enforcement	360,493	
Capital Projects	1,925,469	
Debt Services Expenditures	<u>237,062</u>	
Total of All Proposed Expenditures		<u>\$23,322,596</u>

Estimated Ending Fund Balance **(\$16,276,395)**

*Percentage of total department budget based on 1995-96 full cost allocation plan.

Capital Asset Schedule

as of June 30, 2004

Description	Year of Acquisition	Historical Cost
Administration and Services		
City Hall Complex	1930	\$2,505,368
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 #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	15,012,918
Corona del Mar	1958	217,182
Mariners	1957	803,791
Harbors, Beaches, and Recreation		
15th Street Restrooms	1956	538,528
19th Street Restrooms	1940	2,000
38th Street Park	1925	212,988
Arroyo Park	2003	17,578,871
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	3,558,928
Balboa Pier - Concession	1982	n/a *
Balboa Pier Restroom	1957	250,229
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
Balboa Yacht Basin - Piers and Docks	1984	3,079,395
Bayside Park	1926	490,865

Capital Asset Schedule

as of June 30, 2004 (continued)

Description	Year of Acquisition	Historical Cost
Bayview Park	1985	4,430,496
Begonia Park	1926	276,686
Big Canyon - Land	1959	9,696,650
Bob Henry Park	1997	4,480,305
Bolsa Park	1994	99,474
Bonita Canyon Sports Park	2002	6,259,614
Bonita Creek Park	2002	5,051,170
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
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
Lookout Point	1953	16,000
Marine Education Facility	2003	511,687
M Street Park	1930	12,763

Capital Asset Schedule

as of June 30, 2004 (continued)

Description	Year of Acquisition	Historical Cost
Mariners Park	1957	1,212,671
Newport Aquatic Center	1987	n/a *
Newport Island Park	1938	110,256
Newport Pier	1940	3,558,364
Newport Pier - Concession	1990	n/a *
Newport Pier - Restrooms	1989	305,188
Newport Shores Park	1906	57,258
Newport Theater Arts	1973	359,002
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
Washington Street Restrooms	1935	381,621
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
Ackerman Bldg - 110+ 22nd Street	1992	n/a
Ackerman Bldg - 2116+ Ocean Front	1992	n/a
Balboa Bay Club - Land	1918	1,049,252
Bayside and Marguerite Parking Lot	1950	83,494
Beacon Bay - Land	1919	750,103
Cannery Village Parking Lot	1989	1,146,634
Mariners Mile Parking Lot	1976	987,157
Palm Street Parking Lot	1906	55,721
Vacant Land behind Central Library	1992	6,448,622

Capital Asset Schedule

as of June 30, 2004 (continued)

Description	Year of Acquisition	Historical Cost
Equipment		
Rolling Equipment	various	19,449,501
Other Equipment	various	2,929,652
Infrastructure		
Road System	various	1,328,047,418
Storm Drain System	various	53,518,440
Bicycle Paths	various	42,975,504
Oil Wells	various	1,145,496
Walls	various	1,579,000
Other	various	
Water System		
Utility Yard	1987	2,222,243
Water Reducers	various	82,079
Water Meters	various	1,035,671
Water Lines/Mains	various	62,133,151
Fire Hydrants	various	287,739
Reservoirs:		
Big Canyon	1959	26,710,599
Spyglass	1972	418,244
16th Street	1996	3,800,000
Capitalized Interest	1995	1,034,462
Pump Stations	various	2,304,507
Wells	1996	3,417,000
Equipment	various	148,191
Sewer System		
Sewer Lines/Mains	various	32,171,243
Pump Stations	various	6,927,023
TOTAL		\$1,792,438,263

* Leasehold improvements made by Lessee not valued.

EQUIPMENT MAINTENANCE AND REPLACEMENT FUND

Schedule of Rolling Equipment Replacement (FY 2005-06)

Public Safety Departments

Police Department

Patrol/Traffic Sedans (3)	\$ 96,500
Police Motorcycles (4)	\$ 88,000
Detective Sedans (6)	\$ 159,000
Trucks, 1/4 Ton Ext. Cab (3)	\$ 57,000
Patrol Station Wagon, 4x4 (2)	\$ 83,000
Detective Station Wagon	\$ 25,000
Truck, 1/2 ton Ext. Cab	\$ 25,000
Patrol Station Wagon (2)	\$ 73,000
Sub Total	\$ 606,500

Fire Department

Paramedic Ambulance (2)	\$ 230,000
Station Wagon, 4x4	\$ 35,000
Station Wagon (3)	\$ 49,500
Sub Total	\$ 314,500

Other Departments

Administrative Services Department

Station Wagon	\$ 16,500
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General Services Department

Wheeled Pump Trailer	\$ 17,500
Truck, 1 ton Utility Body	\$ 30,000
Truck, 1/2 ton 4x4	\$ 25,000
Truck, 3/4 ton with dump bed (2)	\$ 52,000
Truck, 1 ton with refuse packer	\$ 65,000
Asphalt Patch Truck	\$ 150,000
Loader, Wheeled	\$ 140,000
Root Pruner	\$ 46,000
Truck, 3/4 ton 4x4	\$ 26,000
Truck, Paint Stencil/Striper	\$ 100,000
Transfer Trailer (2)	\$ 150,000
Sub Total	\$ 801,500

Office of the City Manager

Station Wagon (3)	\$ 66,500
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Building Department

Station Wagon (3)	\$ 49,500
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Public Works Department

Station Wagon	\$ 16,500
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Recreation/Senior Services Department

Truck, 1/4 ton 4x4	\$ 23,000
Truck, 1/4 ton	\$ 18,000
Station Wagon	\$ 16,500
Sub Total	\$ 57,500

Utilities Department

Truck, Aerial	\$ 75,000
Truck, 1 1/4 Ton Utility Body	\$ 32,000
Loader, Bobcat	\$ 42,000
Truck, 1/4 Ton Pickup (2)	\$ 36,000
Sub Total	\$ 185,000

PUBLIC SAFETY TOTALS

\$ 921,000

OTHER DEPARTMENT TOTALS

\$ 1,193,000

GRAND TOTAL ALL DEPARTMENTS

\$ 2,114,000

CITY OF NEWPORT BEACH
2005-2006 RESOURCE ALLOCATION PLAN

ROLLING STOCK IN SERVICE

	Fiscal Year 2003-04 Final <u>Inventory</u>	Fiscal Year 2004-05 Changes & Adjustments	Fiscal Year 2004-05 Final <u>Inventory</u>	Fiscal Year 2005-06 Projected Changes & Adjustments	Fiscal Year 2005-06 Projected Final <u>Inventory</u>
<u>General City Operations</u>					
Passenger Cars	108	0	108	0	108
Jeeps	2	0	2	0	2
Motorcycles	18	0	18	0	18
Trucks	127	0	127	+1	128
Fire Trucks	14	0	14	0	14
Loadpackers	25	0	25	0	25
Street Sweepers	8	0	8	0	8
Tractors and Graders	4	0	4	0	4
Backhoes and Loaders	6	0	6	0	6
Beach Cleaners	3	0	3	0	3
Trailers	37	0	37	+1	38
Trailer, Office	4	0	4	0	4
Special Equipment	19	0	19	0	19
Total General City Operations	375	0	375	2	377
<u>Utility Enterprise*</u>					
Passenger Cars	4	0	4	0	4
Trucks	45	+1	46	0	46
Tractors and Graders	2	0	2	0	2
Backhoes and Loaders	6	0	6	0	6
Trailers	12	-1	11	0	11
Special Equipment	17	0	17	0	17
Total Utility Enterprise	86	0	86	0	86
GRAND TOTAL	461	0	461	2	463

* Includes vehicles in both the Water and Wastewater Sections

SEVEN YEAR COMPARISON OF FULL-TIME POSITIONS

1999-00 2000-01 2001-02 2002-03 2003-04 2004-05 2005-06

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	12.00	18.00	11.00	11.00	17.00	19.00	20.00
Human Resources	0.00	0.00	9.00	9.00	9.00	9.00	9.00
City Attorney	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Administrative Services	49.00	49.00	49.00	49.00	50.00	50.00	52.00
Total	69.00	75.00	77.00	77.00	84.00	86.00	89.00

PUBLIC SAFETY

Police	219.00	221.00	238.00	237.00	237.00	237.00	238.00
Fire	0.00	0.00	146.00	147.00	148.00	148.00	148.00
Fire and Marine	125.00	137.00	0.00	0.00	0.00	0.00	0.00
Total	344.00	358.00	384.00	384.00	385.00	385.00	386.00

COMMUNITY DEVELOPMENT

Planning	16.00	18.00	18.00	20.00	18.00	18.00	19.00
Building	23.00	24.00	26.00	26.00	28.00	29.00	29.00
Total	39.00	42.00	44.00	46.00	46.00	47.00	48.00

PUBLIC WORKS

Public Works and Utilities	35.00	37.00	0.00	0.00	0.00	0.00	0.00
Public Works	0.00	0.00	33.00	33.00	33.00	33.00	34.00
Utilities - Electrical	0.00	0.00	5.00	5.00	5.00	5.00	5.00
General Services	107.00	105.00	110.00	111.00	109.00	109.00	109.00
General Services - Equipment ISF	15.00	13.00	15.00	15.00	15.00	15.00	15.00
Total	157.00	155.00	163.00	164.00	162.00	162.00	163.00

COMMUNITY SERVICES

Library	35.00	36.00	36.00	37.00	36.00	36.00	38.00
Arts & Cultural	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	2.00	2.00	2.00	0.00	0.00	0.00	0.00
Recreation	8.00	9.00	11.00	11.00	11.00	11.00	12.00
Senior Citizens	5.00	5.00	7.00	7.00	7.00	10.00	10.00
Recreation & Senior Services Admin	0.00	0.00	0.00	2.00	2.00	2.00	2.00
Total	51.00	53.00	57.00	58.00	57.00	60.00	63.00

BALBOA YACHT BASIN

Total	1.00	1.00	1.00	1.00	1.00	1.00	0.00
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WATER ENTERPRISE FUND

Total	31.00	34.00	33.00	33.00	33.00	34.00	34.00
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SEWER ENTERPRISE FUND

Total	11.00	10.00	12.00	12.00	13.00	13.00	13.00
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TOTAL FULL-TIME POSITIONS

Total	703.00	728.00	771.00	775.00	781.00	788.00	796.00
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Glossary

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.

Ackerman Donation Fund - Used to account for the receipt and disbursement of funds received from the Ackerman Trust. These funds are split between the City and the University of California, Irvine. The City's portion 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.

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

Arterial Highway Rehabilitation 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.

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

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.

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.

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.

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.

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

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.

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

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.

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

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.

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.

Business Improvement District Fund - Used to account for monies collected from local business districts for district property improvements and business enhancement.

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.

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

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

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.

Combined Transportation Fund - Used to account for the revenues and expenditures of funds received from the Orange County Combined Transportation Funding Program. Expenditures from this fund are used exclusively for transportation related purposes.

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.

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.

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

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.

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.

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.

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.

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 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.

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).

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

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.

Library COP Fund - Used to account for the debt service transactions related to the Certificates of Participation used to finance the construction of the Central Library.

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.

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

Miscellaneous Grants Fund - Used to account for short-term grant programs not individually listed.

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.

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.

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

Objective - Something to be accomplished in specific, well defined, and measurable terms and that is achievable within a specific time frame.

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.

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.

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.

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

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.

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

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.

Special Assessment Fund - Used to account for funds received from affected property owners and payable to holders of 1911 Act, 1915 Act and other special assessment bonds.

Special Deposit Fund - Used to account for special deposits held by the City in its fiduciary capacity.

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

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.

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.

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.

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

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.

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.

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.

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