



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 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 2006-2007

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RESOURCE ALLOCATION PLAN

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NEWPORT BEACH CITY OFFICIALS

CITY COUNCIL



L to R: Council Members Keith D. Curry and Edward D. Selich, Mayor Pro Tem Steven Rosansky, Mayor Don Webb, Council Members Leslie J. Daigle, Tod W. Ridgeway, and Richard A. Nichols



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

Sharon Wood.....	Assistant City Manager/Director of Community & Economic Development
Dave Kiff.....	Assistant City Manager
Dennis C. Danner.....	Administrative Services Director/Treasurer
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
Pete Antistas.....	Utilities Director
Linda Katsouleas.....	Library Services Director



CITY OF NEWPORT BEACH

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

Dear Mayor Webb and Council Members:

As directed by the Newport Beach City Charter, it is my pleasure to submit the 2006-2007 City Budget to you. As you know, the Budget is a plan of financial activity for the fiscal year that starts July 1, 2006 and ends June 30, 2007.

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 2006-07).

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

The City of Newport Beach enjoys 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 2006-07, 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:

- Sales tax and property tax estimates continue to grow indicating a healthy local economy. In addition, a component of the Education Revenue Augmentation Fund (ERAF III) shift of secured property tax to the State is ending. For the City of Newport Beach this means an additional \$2.2 million of secured property tax this fiscal year;
- The California Public Employees Retirement System (CalPERS) earned 12.7 percent return on its investments in 2005, 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. CalPERS has also adopted revised rate smoothing methods that are intended to "smooth" out large rate fluctuations from year to year. Therefore this budget includes a small decrease in PERS costs for both miscellaneous and safety members;
- Implementation of a new defined contribution retiree medical program instead of the prior defined benefit program will ultimately reduce the City's long-term liability for this program. The transition to the new program will take an estimated twenty years or more to fully implement, but our operating expenses will eventually be capped as we will only need to fund contributions for current employees and the City's unfunded liability will be zero.
- The City is currently undertaking a comprehensive review of existing City structures and developing a financing plan for the replacement of these facilities, including Police Headquarters, Fire Stations, Library Branches, Lifeguard Headquarters, OASIS Senior Center, and the Civic Center Complex. We believe the City is well positioned to fund the replacement of all of these facilities beginning in the next fiscal year with the replacement program lasting approximately an additional twenty years.

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 2006-07 the proposed General Fund expenditures, including General Fund capital improvements, total \$133.9 million, an increase of \$2.5 million (1.9%) from 2005-06.

I am recommending eight new positions in the 2006-07 budget, primarily due to the need to improve and strengthen service demands:

- One Community Services Officer (Police Department)
- One Information & Communications Coordinator (Fire Department)
- Three Fire Paramedics (Fire Department)
- One Principal Civil Engineer (Public Works)

- One Associate Civil Engineer (Public Works)
- One Maintenance Worker I (General Services, Operations Support)
- One Library Assistant (Library and Cultural Arts, Mariners Branch)

REVENUE OUTLOOK. We are projecting General Fund revenue to increase approximately 4.8% over FY 2005-06 projections for a total of \$136.4 million. This is due in part to the end of the Education Revenue Augmentation Fund (ERAF III) shift of secured property tax to the State as well as strong property tax and sales tax projections. Total City revenues will be decreasing 4.9% from revised projections for FY 2005-06 to \$188.9 million due to a number of one-time revenue sources in FY 2005-06, such as Water Fund grants, donations for the Back Bay Science Center and contributions for Fire Station #7, and the Mariners Library construction. 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 \$174.6 million.

EXPENDITURE OUTLOOK. Total proposed City expenditures in 2006-07, including debt service and capital projects, is \$205.9 million. Excluding internal service premiums charged to fund insurance reserves, equipment maintenance and replacement, and post employment medical benefits, total expenditures to outside sources are proposed to be approximately \$191.6 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 \$191.6 million of proposed expenditures in fiscal year 2006-07, \$14.4 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 2006-07 operating expenditures excluding CIPs, and internal charges amount to \$150.5 million which is a 9.3% increase over the 2005-06 amended budget. The increase is primarily due to increases in salaries and benefits, utilities, and increased internal charges for the City's self-insured general liability program.

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 2006-07 CIP budget is just over \$41 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 2006-07 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 citizens of and visitors to Newport Beach.

Homer Bludau
City Manager



INTRODUCTION



CITY OF NEWPORT BEACH
BUDGET FOR FISCAL YEAR 2006-2007
User's Guide

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

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

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

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

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

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

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

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

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

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

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

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

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

Introductory Section — includes the Table of Contents, City Organization Chart, List of City Officials, and the City Manager's Letter of Transmittal.

Summary Section — includes a table of Miscellaneous Statistics for the City, Revenues by Source, Expenditures by Function, Estimated Fund Balances, and Schedule of Fund Transfers.

Operating Budgets — includes proposed operating budgets by department.

Capital Improvement Program — includes proposed capital improvement budgets by funding source.

Appendix — includes a summary of the Tide and Submerged Land Fund; a description of the Internal Service Funds; Land, Structures and Improvements for the City; a summary of Rolling

Stock in Service; a Seven Year Comparison of Full-time Positions; a listing of Debt Service obligations for the City; and a Glossary of accounting terms and definitions of terms used in the Newport Beach Budget documents.

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

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

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

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

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

Finally, the Budget includes Enterprise Funds, which are used to account for City operations that are financed and operated in a manner similar to private business enterprises. The objective of segregating activities of this type is to identify the costs of providing the services, and to finance them through user charges. The two main City enterprise funds are the City's Water Fund and the Wastewater Fund. Both of these funds are financed by user charges to the customers (residents and businesses of Newport Beach).

Appropriation (Gann) Limit — Article XIII B of the California Constitution (Proposition 4) specifies that tax based appropriations of government entities (with certain exclusions) may increase annually only by a limited amount (primarily to allow for population increases and inflation). Newport Beach has been under its Gann Limit by a comfortable margin each year. For 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. The Gann Limit for 2006-07 will be calculated in late May, 2006, and presented to the City Council for adoption, as required.

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

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

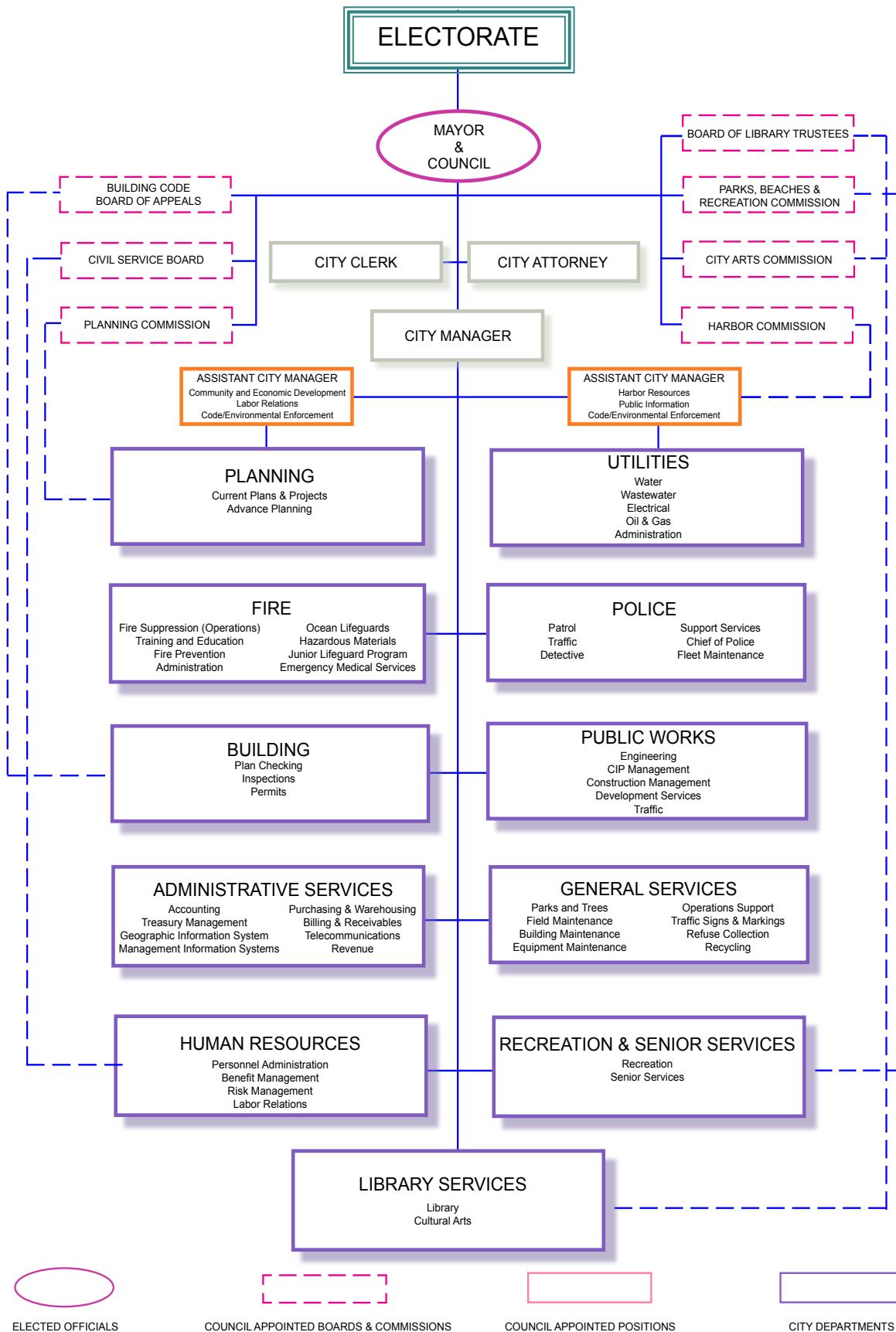
In addition to the General Fund's reserves, other reserve levels have been established. In the Tide and Submerged Land Fund, reserves are designated for Upper Newport Bay restoration projects. The City's Permanent Endowment Fund (Robinson Skinner Annuity) provides investment earning be reserved for dredging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

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

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

- Certificates of Deposit (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 2006-2007

April 14, 2006

SUMMARIES



<p>TABLE OF MISCELLANEOUS STATISTICAL INFORMATION</p> <p>FISCAL YEAR 2006-2007</p>
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<p>COUNCIL-MANAGER FORM OF GOVERNMENT</p> <p>RESIDENTIAL POPULATION (January 1, 2005 est.)</p> <table style="width: 100%;"> <tr> <td style="width: 80%;">Permanent</td> <td style="text-align: right;">83,120</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%;"> <tr> <td style="width: 80%;"></td> <td style="text-align: center;"><u>Square Miles</u></td> </tr> <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> </table> <table style="width: 100%;"> <tr> <td style="width: 80%;"></td> <td style="text-align: center;"><u>Acres</u></td> </tr> <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> </table> <p>WATER FRONTAGE</p> <table style="width: 100%;"> <tr> <td style="width: 80%;"></td> <td style="text-align: center;"><u>Miles</u></td> </tr> <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> </table> <p>ASSESSED VALUATION</p> <table style="width: 100%;"> <tr> <td style="width: 80%;">TOTAL</td> <td style="text-align: right;">\$29,379,783,223</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	83,120	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	\$29,379,783,223	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%;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;"><u>Acres</u></td> </tr> <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;">450</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;">17,179</td> </tr> </table> <p>STREETS AND ALLEYS</p> <table style="width: 100%;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;"><u>Miles</u></td> </tr> <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> </table> <p>DWELLING UNITS</p> <table style="width: 100%;"> <tr> <td style="width: 80%;">January 1, 2005</td> <td style="text-align: right;">42,143</td> </tr> <tr> <td>Occupancy factor per dwelling unit</td> <td style="text-align: right;">2.19</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;">3,208.03</td> </tr> <tr> <td>Per Acre</td> <td style="text-align: right;">5.01</td> </tr> </table> <p>EMPLOYEES</p> <table style="width: 100%;"> <tr> <td style="width: 80%;">Regular Full Time</td> <td style="text-align: right;">811</td> </tr> <tr> <td>Total (Including Part Time)</td> <td style="text-align: right;">1,288</td> </tr> </table>		<u>Acres</u>	Ocean Water	14,894	Harbor Waters	1,598	Parks	450	Beaches	237	TOTAL	17,179		<u>Miles</u>	Improved	321	Unimproved	2	State Highway	10		333	January 1, 2005	42,143	Occupancy factor per dwelling unit	2.19	Per Square Mile	3,208.03	Per Acre	5.01	Regular Full Time	811	Total (Including Part Time)	1,288
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Harbor	21																																																																														
TOTAL WATER FRONTAGE	44																																																																														
TOTAL	\$29,379,783,223																																																																														
Boats	9,900																																																																														
Residential	1,230																																																																														
Commercial Slips and Side Ties	2,330																																																																														
Bay Moorings	1,235																																																																														
	<u>Acres</u>																																																																														
Ocean Water	14,894																																																																														
Harbor Waters	1,598																																																																														
Parks	450																																																																														
Beaches	237																																																																														
TOTAL	17,179																																																																														
	<u>Miles</u>																																																																														
Improved	321																																																																														
Unimproved	2																																																																														
State Highway	10																																																																														
	333																																																																														
January 1, 2005	42,143																																																																														
Occupancy factor per dwelling unit	2.19																																																																														
Per Square Mile	3,208.03																																																																														
Per Acre	5.01																																																																														
Regular Full Time	811																																																																														
Total (Including Part Time)	1,288																																																																														

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 2006-07

Fund/Revenue Category	2001-02 Actual Revenue	2002-03 Actual Revenue	2003-04 Actual Revenue	2004-05 Actual Revenue	2005-06 Estimated Revenue	2006-07 Estimated Revenue	Percent Increase (Decrease)
GENERAL FUND							
PROPERTY TAXES	33,583,659	39,474,865	43,631,829	56,254,917	55,369,800	67,102,454	21.19%
TAXES OTHER THAN PROPERTY	31,876,781	32,985,528	35,790,936	34,993,699	34,102,898	38,660,853	13.37%
LICENSES AND PERMITS	1,956,365	2,305,118	3,483,020	3,061,667	2,511,540	2,794,900	11.28%
INTERGOVERNMENTAL	7,253,139	6,035,742	6,014,233	4,266,673	3,397,955	2,488,100	-26.78%
CHARGES FOR CURRENT SERVICES	10,318,366	11,099,872	11,899,279	13,063,134	11,854,127	13,211,561	11.45%
FINES, FORFEITURES & PENALTIES	3,252,387	3,380,531	3,551,515	3,422,735	3,822,800	3,567,500	-6.68%
USE OF MONEY AND PROPERTY	7,232,430	7,328,014	6,397,127	7,093,909	7,897,392	8,181,010	3.59%
OTHER REVENUE	1,212,707	1,173,647	216,898	1,138,281	723,600	418,142	-42.21%
TOTAL GENERAL FUND	96,685,834	103,783,317	110,984,837	123,295,015	119,680,112	136,424,519	13.99%
ASSET FORFEITURE FUND							
INTERGOVERNMENTAL	46,258	47,795	59,652	233,471	100,000	40,000	-60.00%
USE OF MONEY AND PROPERTY	28,143	13,556	1,638	3,750	5,000	5,000	0.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL FORFEITURE FUND	74,401	61,351	61,290	237,221	105,000	45,000	-57.14%
SLESF - COPS FUND							
INTERGOVERNMENTAL	144,141	144,049	119,171	118,685	120,000	120,000	0.00%
USE OF MONEY AND PROPERTY	545	295	240	972	1,382	2,000	44.72%
TOTAL SLESF - COPS FUND	144,686	144,344	119,411	119,658	121,382	122,000	0.51%
LLEBG FUND							
INTERGOVERNMENTAL	75,524	37,847	39,448	24,569	0	0	0.00%
USE OF MONEY AND PROPERTY	4,375	933	2,975	414	0	0	0.00%
TOTAL LLEBG FUND	79,899	38,780	42,423	24,983	0	0	0.00%
CDBG FUND							
INTERGOVERNMENTAL	697,352	3,235,483	0	559,698	426,000	373,292	-12.37%
USE OF MONEY AND PROPERTY	0	28,085	5,598	7,905	0	1,500	0.00%
TOTAL CDBG FUND	697,352	3,263,568	5,598	567,603	426,000	374,792	-12.02%
STATE GAS TAX FUND							
INTERGOVERNMENTAL	1,208,426	1,332,751	1,484,796	1,497,280	1,666,132	1,807,500	8.48%
USE OF MONEY AND PROPERTY	273,788	166,499	20,735	68,658	92,614	140,000	51.17%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL GAS TAX FUND	1,482,214	1,499,250	1,505,531	1,565,938	1,758,746	1,947,500	10.73%
TRAFFIC CONGESTION FUND							
INTERGOVERNMENTAL	179,335	192,176	0	0	0	350,000	0.00%
USE OF MONEY AND PROPERTY	32,100	8,748	2,037	0	1,056	5,000	373.48%
TOTAL TRAFFIC CONGESTN FUND	211,435	200,924	2,037	0	1,056	355,000	33517.42%
TIDELANDS FUND							
LICENSES, PERMITS AND FEES	1,184,962	1,039,967	1,230,464	1,276,362	1,260,700	1,260,700	0.00%
INTERGOVERNMENTAL	98,614	18,333	18,333	0	0	0	0.00%
CHARGES FOR SERVICES	20,202	56,422	38,560	42,400	40,000	40,000	0.00%
FINES, FORFEITURES & PENALTIES	131,778	11,623	-514	-1,056	700	700	0.00%
USE OF MONEY AND PROPERTY	4,797,762	5,374,101	5,696,396	6,224,026	5,744,802	6,818,129	18.68%
OTHER REVENUE	286,496	65,728	-2,384	0	0	0	0.00%
TOTAL TIDELANDS FUND	6,519,814	6,566,174	6,980,855	7,541,732	7,046,202	8,119,529	15.23%
CONTRIBUTIONS FUND							
INTERGOVERNMENTAL	69,683	314,433	1,308,217	4,673,822	1,341,025	1,069,214	-71.31%
USE OF MONEY AND PROPERTY	4,374	0	0	0	17,299	17,299	0.00%
OTHER REVENUE	71,470	54,625	50,000	0	0	0	0.00%
TOTAL CONTRIBUTIONS FUND	145,527	369,058	1,358,217	4,673,822	1,358,324	1,086,513	-20.01%
CIRCULATION AND TRANS FUND							
LICENSE, PERMITS AND FEES	56,454	855,301	681,046	411,229	200,000	300,000	50.00%
USE OF MONEY AND PROPERTY	310,243	249,237	27,585	88,169	111,717	148,000	32.48%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL CIRCULATION FUND	366,697	1,104,538	708,631	499,397	311,717	448,000	43.72%
BUILDING EXCISE TAX FUND							
LICENSES, PERMITS AND FEES	152,778	197,133	210,086	218,976	150,000	150,000	0.00%
USE OF MONEY AND PROPERTY	30,743	12,405	1,692	7,579	9,356	10,000	6.88%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL BET FUND	183,521	209,538	211,778	226,556	159,356	160,000	0.40%

REVENUE SUMMARY 2006-07

Fund/Revenue Category	2001-02 Actual Revenue	2002-03 Actual Revenue	2003-04 Actual Revenue	2004-05 Actual Revenue	2005-06 Estimated Revenue	2006-07 Estimated Revenue	Percent Increase (Decrease)
MEASURE "M" FUND							
INTERGOVERNMENTAL	1,083,034	1,010,077	1,300,089	1,595,550	1,721,189	1,100,000	-36.09%
USE OF MONEY AND PROPERTY	113,266	89,002	12,192	43,788	56,928	56,928	0.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL MEASURE "M" FUND	<u>1,196,300</u>	<u>1,099,079</u>	<u>1,312,281</u>	<u>1,639,338</u>	<u>1,778,117</u>	<u>1,156,928</u>	<u>-34.94%</u>
BIKES & TRAILWAYS FUND							
INTERGOVERNMENTAL	52,272	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	3,264	3,878	309	0	0	0	0.00%
TOTAL BIKES & TRAILWAYS FUND	<u>55,536</u>	<u>3,878</u>	<u>309</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
AHRP FUND							
INTERGOVERNMENTAL	237,414	366,441	690,543	125	1,102,070	400,000	-63.70%
TOTAL AHRP FUND	<u>237,414</u>	<u>366,441</u>	<u>690,543</u>	<u>125</u>	<u>1,102,070</u>	<u>400,000</u>	<u>-63.70%</u>
AIR QUALITY MGMT FUND							
INTERGOVERNMENTAL	79,546	123,573	144,692	111,940	136,000	100,000	-26.47%
USE OF MONEY AND PROPERTY	5,600	0	128	1,146	1,167	4,000	242.76%
OTHER REVENUE	0	0	0	0	0	0	0.00%
TOTAL AQMD FUND	<u>85,146</u>	<u>123,573</u>	<u>144,820</u>	<u>113,086</u>	<u>137,167</u>	<u>104,000</u>	<u>-24.18%</u>
ENVIRONMENTAL LIABILITY FUND							
OTHER REVENUE	418,431	414,803	332,813	358,247	370,000	370,000	0.00%
USE OF MONEY AND PROPERTY	93,710	79,954	10,135	39,112	49,590	76,000	53.26%
TOTAL ENVIRONMENTAL LIAB FD	<u>512,141</u>	<u>494,757</u>	<u>342,948</u>	<u>397,360</u>	<u>419,590</u>	<u>446,000</u>	<u>6.29%</u>
OIL SPILL REMEDIATION FUND							
TOTAL OTHER REVENUE	0	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	235,328	76,455	7,007	17,895	23,342	5,000	-78.58%
TOTAL OIL SPILL FUND	<u>235,328</u>	<u>76,455</u>	<u>7,007</u>	<u>17,895</u>	<u>23,342</u>	<u>5,000</u>	<u>-78.58%</u>
NEWPORT ANNEXATION FUND							
INTERGOVERNMENTAL	15,000,000	0	5,000,000	0	3,000,000	0	-100.00%
USE OF MONEY AND PROPERTY	447,774	458,964	88,316	327,116	426,756	718,000	68.25%
TOTAL ANNEXATION FUND	<u>15,447,774</u>	<u>458,964</u>	<u>5,088,316</u>	<u>327,116</u>	<u>3,426,756</u>	<u>718,000</u>	<u>-79.05%</u>
ASSESSMENT DISTRICT PROJECTS							
OTHER REVENUE	741,196	2,127,087	260,457	14,779,013	0	0	0.00%
USE OF MONEY AND PROPERTY	0	0	5,501	76,768	13,724	13,724	0.00%
TOTAL ASSESSMENT DISTRICT FUND	<u>741,196</u>	<u>2,127,087</u>	<u>260,457</u>	<u>14,855,781</u>	<u>13,724</u>	<u>13,724</u>	<u>0.00%</u>
CIOISA FUND							
OTHER REVENUE	28,227	1,981	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	298,566	218,056	26,551	75,339	100,455	120,000	19.46%
TOTAL CIOISA FUND	<u>326,793</u>	<u>220,037</u>	<u>26,551</u>	<u>75,339</u>	<u>100,455</u>	<u>120,000</u>	<u>19.46%</u>
BONITA CANYON DEV. FUND							
OTHER REVENUE	0	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	223,319	194,454	65,517	7,147	0	4,000	0.00%
TOTAL BONITA CANYON DEV. FD.	<u>223,319</u>	<u>194,454</u>	<u>65,517</u>	<u>7,147</u>	<u>0</u>	<u>4,000</u>	<u>0.00%</u>
MARINERS LIBRARY							
INTERGOVERNMENTAL	0	0	144,685	0	2,373,376	0	-100.00%
OTHER REVENUE	0	1,069,732	38,269	302,988	0	0	0.00%
USE OF MONEY AND PROPERTY	0	0	5,338	18,536	23,743	23,743	0.00%
TOTAL MARINERS LIBRARY FUND	<u>0</u>	<u>1,069,732</u>	<u>188,292</u>	<u>321,524</u>	<u>2,397,119</u>	<u>23,743</u>	<u>-99.01%</u>
FIRE STATION #7							
INTERGOVERNMENTAL	0	0	0	2,500,000	1,600,000	0	-100.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	0	0	0	0	0	0	0.00%
TOTAL FIRE STATION #7 FD.	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,500,000</u>	<u>1,600,000</u>	<u>0</u>	<u>-100.00%</u>
BACK BAY SCIENCE CENTER							
INTERGOVERNMENTAL	0	0	0	76,901	0	0	0.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	0	0	0	960	0	0	0.00%
TOTAL BACK BAY SCIENCE CENTER	<u>0</u>	<u>0</u>	<u>0</u>	<u>77,860</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
SAH COMMUNITY CENTER							
INTERGOVERNMENTAL	0	0	0	0	0	0	0.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	0	0	0	0	0	0	0.00%
TOTAL SAH COMMUNITY CENTER	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>

REVENUE SUMMARY 2006-07

Fund/Revenue Category	2001-02 Actual Revenue	2002-03 Actual Revenue	2003-04 Actual Revenue	2004-05 Actual Revenue	2005-06 Estimated Revenue	2006-07 Estimated Revenue	Percent Increase (Decrease)
MISC SAH PROJECTS							
INTERGOVERNMENTAL	0	0	0	0	0	0	0.00%
OTHER REVENUE	0	0	0	0	0	0	0.00%
USE OF MONEY AND PROPERTY	0	0	0	0	0	0	0.00%
TOTAL MISC SAH PROJECTS	0	0	0	0	0	0	0.00%
WATER ENTERPRISE FUND							
LICENSES, PERMITS AND FEES	0	0	0	0	0	0	0.00%
INTERGOVERNMENTAL	-10,799	0	1,608,507	787,523	0	0	0.00%
CHARGES FOR SERVICES	16,620,928	16,228,130	16,655,234	16,677,054	16,540,000	17,258,000	4.34%
USE OF MONEY AND PROPERTY	1,144,197	837,322	128,259	304,820	395,078	650,000	64.52%
OTHER REVENUE	55,593	261,152	-70,877	108,620	16,000	21,000	31.25%
TOTAL WATER FUND	17,809,919	17,326,604	18,321,123	17,878,017	16,951,078	17,929,000	5.77%
PARKING FACILITY FUND							
USE OF MONEY AND PROPERTY	0	0	0	0	0	0	0.00%
TOTAL PARKING FUND	0	0	0	0	0	0	0.00%
WASTEWATER ENTERPRISE FUND							
INTERGOVERNMENTAL	0	0	105	664	0	0	0.00%
CHARGES FOR SERVICES	2,923,583	2,729,781	2,858,223	2,882,723	2,892,000	3,292,000	13.83%
USE OF MONEY AND PROPERTY	199,883	138,873	16,986	58,385	77,460	140,000	80.74%
OTHER REVENUE	22,221	39,160	-312,876	17,285	2,000	2,000	0.00%
TOTAL WASTEWATER FUND	3,145,687	2,907,814	2,562,438	2,959,058	2,971,460	3,434,000	15.57%
INSURANCE RESERVE FUND							
WORKERS' COMP PREMIUM	3,180,536	3,199,425	3,199,597	3,199,597	3,199,421	3,199,421	0.00%
GENERAL LIABILITY PREMIUM	1,862,778	1,827,779	1,828,697	1,829,081	1,828,697	3,328,697	82.03%
DISABILITY INSURANCE PREMIUM	0	0	0	0	0	0	0.00%
OTHER REVENUE	417,938	328,917	37,094	145,801	147,055	225,000	53.00%
TOTAL INSURANCE FUND	5,461,252	5,356,121	5,065,388	5,174,479	5,175,173	6,753,118	30.49%
RETIREE MEDICAL FUND							
CHARGES FOR SERVICES	1,304,439	1,532,299	1,629,794	1,482,274	1,689,907	388,000	-77.04%
USE OF MONEY AND PROPERTY	77,712	72,743	10,160	0	50,834	212,500	318.03%
TOTAL RETIREE MEDICAL FUND	1,382,151	1,605,042	1,639,954	1,482,274	1,740,741	600,500	-65.50%
COMPENSATED ABSENCE FUND							
CHARGES FOR SERVICES	1,330,581	1,455,909	1,522,614	1,576,627	1,578,335	2,031,897	28.74%
USE OF MONEY AND PROPERTY	85,809	61,062	7,873	28,914	40,075	40,075	0.00%
TOTAL COMP. ABSENCE FUND	1,416,390	1,516,971	1,530,487	1,605,542	1,618,410	2,071,972	28.03%
EQUIPMENT MAINTENANCE FUND							
INTERGOVERNMENTAL	0	0	75	0	0	0	0.00%
EQUIPMENT MAINTENANCE	1,447,467	1,523,806	1,704,155	1,819,912	1,872,937	1,989,590	6.23%
EQUIPMENT REPLACEMENT	2,306,707	2,696,264	2,743,083	2,922,406	2,984,986	2,515,148	-15.74%
OTHER REVENUE	615,203	787,024	172,644	354,518	370,695	370,695	0.00%
TOTAL EQUIPMENT FUND	4,369,377	5,007,094	4,619,957	5,096,836	5,228,618	4,875,433	-6.75%
PD EQUIPMENT MAINTENANCE FUND							
EQUIPMENT REPLACEMENT	0	0	0	0	611,916	878,570	43.58%
OTHER REVENUE	0	0	0	0	0	75,000	0.00%
TOTAL PD EQUIPMENT FUND	0	0	0	0	611,916	953,570	55.83%
ACKERMAN FUND							
USE OF MONEY AND PROPERTY	14,553	11,013	4,878	19,895	26,698	40,000	49.82%
OTHER REVENUE	185,000	185,000	1,981,286	0	0	0	0.00%
TOTAL ACKERMAN TRUST FUND	199,553	196,013	1,986,164	19,895	26,698	40,000	49.82%
BACK BAY DREDGING FUND							
USE OF MONEY AND PROPERTY	15	132	17	68,718	48,254	160,000	231.58%
OTHER REVENUES	3,000	0	0	3,854,000	0	0	0.00%
TOTAL BACK BAY DREDGING	3,015	132	17	3,922,718	48,254	160,000	N/A
TOTAL ALL FUNDS	159,439,671	157,391,090	165,835,927	197,223,315	176,338,583	188,891,841	7.12%
Less: Internal Premiums	(11,432,508)	(12,235,482)	(12,627,940)	(12,829,898)	(13,154,283)	(14,331,323)	N/A
TOTAL ALL CITY FUNDS, NET OF INTERNAL PREMIUMS	148,007,163	145,155,608	153,207,987	184,393,418	163,184,300	174,560,518	6.97%

EXPENDITURES BY FUND

Function and Activities	2001-02 Actual Expenditures	2002-03 Actual Expenditures	2003-04 Actual Expenditures	2004-05 Actual Expenditures	2005-06 Estimate Expenditures	2006-07 Proposed Expenditures	% of Total Operating Budget
GENERAL FUND BUDGET							
General Government							
City Council	2,805,143	1,327,729	973,213	710,786	1,498,014	1,267,861	0.96%
City Clerk	263,000	355,940	294,781	375,456	372,688	493,009	0.24%
City Manager	842,723	994,278	1,956,574	1,038,657	1,776,626	1,176,866	1.14%
Human Resources	1,174,414	1,146,646	1,165,004	1,288,208	1,372,136	1,650,620	0.88%
City Attorney	688,672	868,117	1,071,588	970,473	994,041	1,051,480	0.64%
Administrative Services	4,710,577	4,996,566	5,278,946	5,655,488	6,483,270	7,431,501	4.17%
Total General Government	10,484,529	9,689,276	10,740,106	10,039,069	12,496,775	13,071,337	8.04%
Public Safety							
Police Department	28,055,340	30,385,765	32,448,435	34,492,665	36,584,104	39,629,522	23.54%
Fire Department	19,340,449	22,014,685	24,029,946	24,601,409	26,625,054	28,953,644	17.13%
Total Public Safety	47,395,789	52,400,450	56,478,381	59,094,074	63,209,158	68,583,166	40.68%
Community Development							
City Manager			476,286	526,477	608,574	647,048	
Planning	1,865,009	2,447,129	2,217,737	2,181,631	3,479,740	2,449,275	2.24%
Building	2,516,157	2,815,996	3,065,671	3,292,619	3,310,252	3,749,888	2.13%
Total Community Development	4,381,166	5,263,125	5,759,694	6,000,727	7,398,566	6,846,211	4.19%
Public Works							
General Services	14,381,259	15,416,692	16,741,145	18,315,517	19,631,110	21,573,709	12.63%
Public Works	3,630,882	3,503,545	3,754,009	4,056,923	4,473,967	5,013,272	2.88%
Utilities	1,207,025	1,343,414	1,024,651	1,095,695	1,135,744	1,142,845	0.73%
Total Public Works	19,219,166	20,263,651	21,519,804	23,468,135	25,240,821	27,729,826	16.24%
Community Services							
City Council - Centennial	-	-	-	-	556,156	-	0.36%
Recreation & Sr. Services	2,760,959	3,007,581	3,358,550	3,895,533	4,430,271	4,893,600	2.85%
Libraries & Arts	5,152,068	5,168,319	5,090,337	5,172,456	5,958,456	5,884,021	3.83%
Total Community Services	7,913,027	8,175,900	8,448,888	9,067,989	10,944,883	10,777,621	7.04%
General Fund Debt Service	960,747	-	-	-	-	-	0.00%
Total General Fund Op. Budget	90,354,424	95,792,402	102,946,873	107,669,995	119,290,203	127,008,161	76.77%
General Fund CIPs	7,655,747	4,379,362	4,594,096	8,590,094	12,122,475	6,868,989	7.80%
Total General Fund Budget	98,010,171	100,171,764	107,540,969	116,260,089	131,412,678	133,877,150	84.57%
ENTERPRISE FUNDS							
Water - Operations	11,945,173	11,372,485	13,667,812	12,930,701	14,629,404	14,982,530	9.41%
Water - CIP	4,446,858	4,935,134	5,007,460	6,178,645	8,190,320	2,849,000	5.27%
Water - Debt Service	1,655,228	1,650,573	1,622,958	1,646,550	1,968,264	1,648,763	1.27%
Wastewater - Operations	1,754,157	1,893,290	2,221,135	2,188,180	2,481,269	2,602,594	1.60%
Wastewater - CIP	1,072,573	1,635,551	687,808	1,269,143	2,534,085	899,000	1.63%
Total Enterprise Funds	20,873,989	21,487,033	23,207,173	24,213,218	29,803,342	22,981,887	19.18%
INTERNAL SERVICE FUNDS							
Insurance Reserve	3,350,000	8,776,529	6,228,971	8,574,542	5,039,183	5,388,689	3.24%
Equipment Fund - Operations	3,085,904	3,824,754	3,687,090	3,565,439	5,071,341	4,046,723	3.26%
Equipment Fund - CIP	44,582	111,346	69,336	93,054	8,190,320	-	5.27%
Equipment Fund - Debt Service	720,132	831,589	459,776	27,849	386,321	119,568	0.25%
PD Equipment Replacement	-	-	-	-	-	701,000	0.00%
Compensated Absences	1,300,000	1,807,921	918,644	1,579,160	1,200,000	1,206,000	0.77%
Retiree Medical	-	-	-	-	-	1,974,956	0.00%
Total Internal Service Funds	8,500,618	15,352,139	11,363,818	13,840,045	19,887,165	13,436,936	12.80%
OTHER FUNDS							
Police Grants	510,102	309,680	318,639	382,778	368,886	209,337	0.24%
CDBG - Operations	-	150,623	149,981	136,690	231,008	155,653	0.15%
CDBG - Debt Service	-	72,846	183,581	186,301	204,964	191,224	0.13%
Tidelands - Harbor Resources	948,224	1,078,207	1,178,187	1,189,389	1,901,737	1,965,090	1.22%
Tidelands - Oil and Gas	382,202	357,693	365,699	419,482	478,102	475,102	0.31%
Tidelands - Debt Service	237,062	237,062	237,062	237,062	237,062	237,062	0.15%
AQMD	105,000	130,641	96,003	66,297	26,415	26,415	0.02%
Environmental Liability	98,971	195,340	154,389	273,392	90,000	90,000	0.06%
Newport Annexation - Debt Service	-	1,243,300	1,200,000	1,390,453	1,200,000	1,200,000	0.77%
Library - Debt Service	720,132	565,925	567,935	564,514	570,250	567,780	0.37%
Ackerman Fund	185,000	128,500	1,200,272	102,543	15,100	43,400	0.01%
All Other CIP	26,383,219	10,349,038	10,026,068	24,895,956	38,076,448	30,486,112	24.50%
Total Other Funds	29,569,912	14,818,855	15,677,816	29,844,856	43,399,972	35,647,175	27.93%
TOTAL OPERATING BUDGET	117,351,711	130,419,360	137,405,007	143,131,317	155,389,509	164,840,047	100.00%
TOTAL CIP	39,602,979	21,410,431	20,384,768	41,026,891	69,113,648	41,103,101	
TOTAL CITY BUDGET	156,954,690	151,829,791	157,789,776	184,158,208	224,503,157	205,943,148	
LESS: INTERNAL CHARGES	(11,432,508)	(12,235,482)	(12,627,940)	(12,829,898)	(12,681,039)	(14,331,323)	
TOTAL BUDGET NET OF INTERNAL CHARGES	145,522,182	139,594,309	145,161,836	171,328,310	211,822,118	191,611,825	

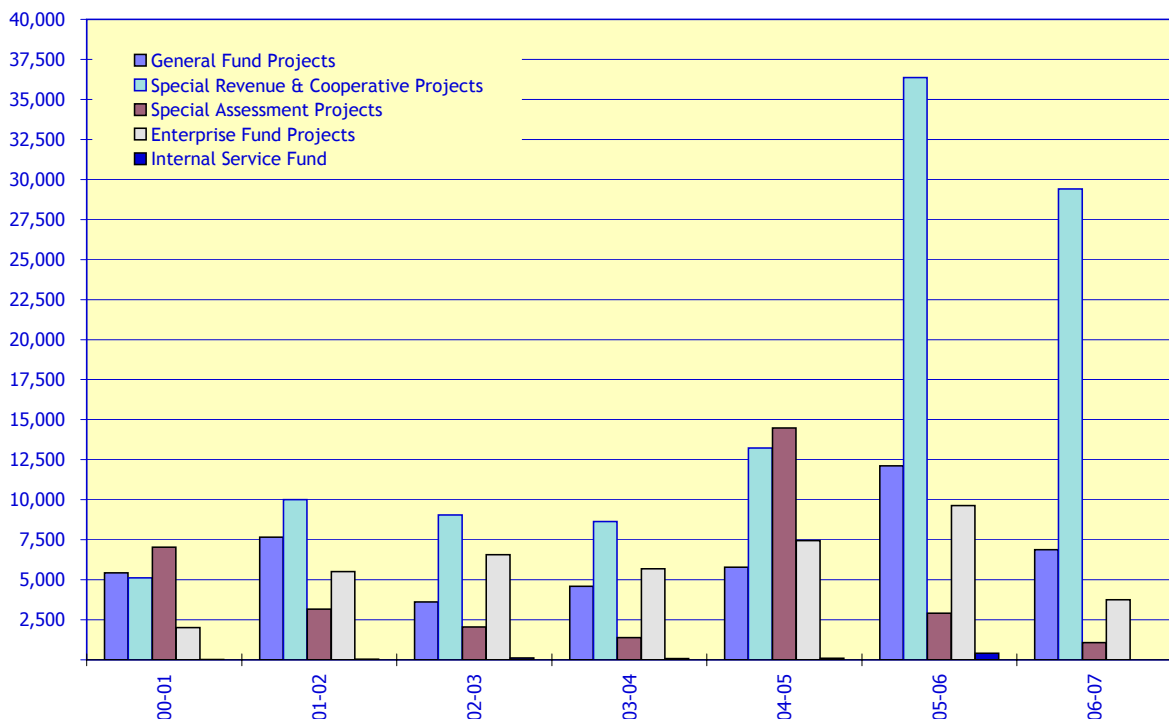
2006-07 EXPENDITURES BY DEPARTMENT

	Salaries & Benefits	% of Total	Maintenance and Operation	% of Total	Capital Outlay	% of Total	Debt Service	Total Budget	% of Total
DEPARTMENT SERVICES									
City Council	256,192	0.25%	1,004,669	1.93%	7,000	0.16%	-	1,267,861	0.62%
City Clerk	338,205	0.32%	154,804	0.30%	-	0.00%	-	493,009	0.24%
City Manager	2,523,282	2.42%	1,229,722	2.36%	36,000	0.83%	-	3,789,004	1.84%
Human Resources	1,078,960	1.03%	563,660	1.08%	8,000	0.19%	-	1,650,620	0.80%
City Attorney	849,824	0.81%	197,656	0.38%	4,000	0.09%	-	1,051,480	0.51%
Administrative Services	5,766,879	5.52%	1,118,903	2.14%	545,719	12.64%	-	7,431,501	3.61%
Police	32,785,183	31.41%	6,311,151	12.10%	533,188	12.35%	-	39,629,522	19.24%
Fire	24,414,299	23.39%	4,335,710	8.31%	203,635	4.72%	-	28,953,644	14.06%
Planning	1,960,508	1.88%	593,670	1.14%	50,750	1.18%	-	2,604,928	1.26%
Building	3,413,891	3.27%	309,497	0.59%	26,500	0.61%	-	3,749,888	1.82%
General Services	9,624,903	9.22%	11,916,706	22.84%	32,100	0.74%	-	21,573,709	10.48%
Library Services (incl Cultural Arts)	4,381,107	4.20%	1,391,814	2.67%	111,100	2.57%	-	5,884,021	2.86%
Recreation and Sr. Services	2,655,168	2.54%	2,223,432	4.26%	15,000	0.35%	-	4,893,600	2.38%
Public Works	4,122,653	3.95%	859,519	1.65%	31,100	0.72%	-	5,013,272	2.43%
Utilities	5,583,983	5.35%	13,566,438	26.00%	52,650	1.22%	-	19,203,071	9.32%
INTERNAL SERVICES									
Insurance Reserve	-	0.00%	5,388,689	10.33%	-	0.00%	-	5,388,689	2.62%
Equipment Maint. & Replacement	1,345,780	1.29%	676,243	1.30%	2,024,700	46.91%	-	4,046,723	1.96%
PD Equipment Replacement	-	0.00%	94,000	0.18%	607,000	14.06%	-	701,000	0.34%
Compensated Absence	1,206,000	1.16%	-	0.00%	-	0.00%	-	1,206,000	0.59%
Retiree Medical	1,974,956	1.89%	-	0.00%	-	0.00%	-	1,974,956	0.96%
DEBT SERVICE									
Office Equipment Leases	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
CDBG Balboa Village Loan	-	0.00%	-	0.00%	-	0.00%	191,224	191,224	0.09%
Balboa Yacht Basin Construction Loan	-	0.00%	-	0.00%	-	0.00%	237,062	237,062	0.12%
Newport Annexation	-	0.00%	-	0.00%	-	0.00%	1,200,000	1,200,000	0.58%
Central Library Construction	-	0.00%	5,250	0.01%	-	0.00%	562,530	567,780	0.28%
Groundwater Improvement Bonds	-	0.00%	5,000	0.01%	-	0.00%	1,643,763	1,648,763	0.80%
Rolling Stock Leases	-	0.00%	-	0.00%	-	0.00%	119,568	119,568	0.06%
OTHER ACTIVITIES									
Narcotic Asset Forfeiture	-	0.00%	61,907	0.12%	27,430	0.64%	-	89,337	0.04%
SLESF	109,721	0.11%	10,279	0.02%	-	0.00%	-	120,000	0.06%
LLEBG	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
AQMD	-	0.00%	26,415	0.05%	-	0.00%	-	26,415	0.01%
Environmental Liability Fund	-	0.00%	90,000	0.17%	-	0.00%	-	90,000	0.04%
Ackerman Donation	-	0.00%	43,400	0.08%	-	0.00%	-	43,400	0.02%
Capital Improvement Projects	-	0.00%	-	0.00%	-	0.00%	-	41,103,101	19.96%
Total Budget	104,391,495	100.00%	52,178,534	100.00%	4,315,872	100%	3,954,147	205,943,148	100.00%
Less: Internal Charges	(5,619,318)		(8,712,005)		-		-	(14,331,323)	
Total Budget Net of Internal Charges	98,772,177		43,466,529		4,315,872		3,954,147	191,611,825	
		% OF BUDGET	% OF TOTAL BUDGET		GENERAL FUND	% OF BUDGET	% OF TOTAL BUDGET		
OPERATING BUDGET	TOTAL								
Salaries and Benefits	104,391,495	63.33%	50.69%		93,684,441	73.36%	69.61%		
Maintenance and Operation	52,178,534	31.65%	25.34%		31,823,979	24.92%	23.65%		
Capital Outlay	4,315,872	2.62%	2.10%		2,200,742	1.72%	1.64%		
Debt Service	3,954,147	2.40%	1.92%		-	0.00%	0.00%		
Total Operating Budget	164,840,047	100.00%	80.04%		127,709,161	100.00%	94.90%		
CAPITAL IMPROVEMENTS	41,103,101	100.00%	19.96%		6,868,989	100.00%	5.10%		
TOTAL BUDGET	205,943,148	100.00%	100.00%		134,578,150	100.00%	100.00%		

Historical Capital Projects Spending

(dollars in thousands)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
	<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	5,433	7,656	3,625	4,594	5,790	12,122	6,869
Special Revenue, Cooperative Projects & Others							
CDBG	288	526	1,826	721	59	741	-
Gas Tax	1,785	2,107	1,622	1,549	1,476	3,346	2,333
Tidelands	561	958	858	910	887	1,622	2,645
Contributions	174	166	834	1,857	2,464	10,079	10,356
Circulation & Transportation	569	247	957	1,122	508	2,265	2,643
Building Excise Tax	271	640	180	154	170	483	335
Measure M	1,123	972	985	1,248	1,044	2,235	1,528
Bike & Trailways	-	-	58	-	-	-	500
AHRP Fund	-	527	679	85	-	400	1,090
Environmental Liability	-	-	-	-	-	-	635
Traffic Congestion Relief	-	539	363	85	-	345	326
American Trader Oil Spill Remediation	345	3,319	564	609	54	901	-
Newport Coast Annexation	-	-	32	7	375	7,004	-
Mariners Library	-	-	90	299	1,785	3,885	-
Fire Station #7	-	-	-	-	4,402	3,053	2,815
SAH Community Center	-	-	-	-	-	-	4,150
Misc SAH Projects	-	-	-	-	-	-	50
Special Assessment Projects							
Assessment Districts	2,183	1,670	1,697	782	12,373	2,842	-
CIOSA Development	765	148	295	516	1,245	-	1,080
Bonita Canyon Development	4,085	1,343	63	82	856	75	-
Enterprise Fund Projects							
Water	1,502	4,447	4,935	5,008	6,179	7,190	2,849
Sewer	516	1,073	1,636	688	1,269	2,434	899
Internal Service Fund							
Equipment Maintenance	12	45	111	69	93	405	-
Annual Totals	19,612	26,383	21,410	20,385	41,027	61,429	41,103



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	-	244,213	1,619,789	749,391	555,360	3,938,394	5,527,552
7010	SALARIES - SAFETY	-	-	-	-	-	-	13,163,448
7020	SALARIES - PERM PART TIME & TEMP	75,000	-	232,725	43,805	96,096	214,260	719,044
7040	OVERTIME, MISC	-	1,221	21,604	2,273	-	17,017	249,459
7041	OVERTIME, SAFETY	-	-	-	-	-	-	963,321
7042	OVERTIME, PLANNED	-	-	-	-	-	-	-
7043	OVERTIME, VACATION RELIEF	-	-	-	-	-	-	-
7044	OVERTIME, UNCONTROLLED	-	-	-	-	-	-	-
7059	PACKER/CALLBACK/STANDBY PAY	-	-	-	-	-	-	-
7060	COPTER,TILLER, HAZ MAT & BILINGUAL	-	-	-	-	-	-	8,562
7062	NIGHT DIFF, MISC	-	-	4,500	-	-	-	49,947
7063	CERTIFICATION PAY & LONGEVITY PAY	-	-	-	-	-	-	61,616
7070	SCHOLASTIC ACHIEVEMENT	-	-	-	-	-	-	457,703
7072	HOLIDAY PAY, MISC & SAFETY	-	-	-	-	-	-	860,479
7085	UNEMPLOYMENT & TERMINATION PAY	-	-	-	-	-	-	-
7088	PAID FLEX/SPILLOVER PAY	-	-	-	-	-	-	-
7100	COUNCIL ALLOWANCES	97,530	-	-	-	-	-	-
7210	HEALTH/DENTAL/VISION	69,023	29,581	192,278	88,744	49,302	552,182	2,285,536
7224	RETIREE INS RESERVE	8,399	-	-	-	-	-	-
7225	RETIREE INSURANCE	-	1,200	3,000	1,200	1,200	1,200	1,200
7250	SALARY SAVINGS/REIMBURSEMENT	-	-	-	-	-	-	(85,000)
7251	RETIREE INSURANCE	-	-	-	-	-	-	-
7270	OTHER MISC BENEFITS	-	-	5,400	-	-	-	-
7290	LIFE INSURANCE	80	342	2,216	1,001	570	6,240	27,034
7295	EMPLOYEE ASSISTANCE	-	76	491	227	126	1,411	6,023
7370	WORKERS' COMP, MISC	-	3,524	37,957	6,368	9,550	88,609	82,890
7371	WORKERS' COMP, SAFETY	-	-	-	-	-	-	1,072,348
7373	COMPENSATED ABSENCES	-	8,547	56,693	26,195	19,438	137,844	652,042
7425	MEDICARE FRINGES	1,414	3,541	25,847	11,487	9,446	51,267	234,444
7438	LIUNA CONTRIBUTION	-	3,663	21,204	9,996	8,330	55,924	3,568
7439	PERS EMPLOYEE CNTRBN-MISC	990	17,957	125,550	59,405	41,452	296,533	455,587
7440	PER EMPLOYER CONTRBN-MISC	1,291	24,340	167,856	78,869	55,351	404,323	620,051
7441	PERS EMPLOYER CNTRBN-SAFE	-	-	-	-	-	-	4,015,855
7442	PERS EMPLOYEE CNTRBN-SAFE	-	-	-	-	-	-	1,341,942
7460	RETIREMENT PART TIME/TEMP	2,465	-	6,171	-	3,604	1,675	10,533
	SUBTOTAL SALARY & BENEFITS	256,192	338,205	2,523,282	1,078,960	849,824	5,766,879	32,785,183
8010	ADVERT & PUB RELATIONS	4,000	10,000	-	39,000	-	-	16,385
8020	AUTOMOTIVE SERVICE	-	-	3,550	-	-	6,350	291,831
8022	EQUIPMENT MAINTENANCE	-	-	21,573	-	-	29,020	-
8024	EQUIPMENT REPLACEMENT	-	-	18,290	-	-	27,438	603,570
8023	CAPITAL/NON-CAPITAL EQUIPMENT	-	-	-	-	-	-	315,000
8030	MAINT & REPAIR - EQUIP	150	18,939	9,016	9,982	900	389,609	94,610
8040	MAINT & REPAIR - FACILITIES	-	-	36,000	-	-	35,000	199,863
8050	PSTGE,FREIGHT,EXPRESS NOC	1,000	3,500	10,800	11,500	2,500	42,394	57,919
8060	PUBLICATIONS & DUES NOC	30,000	650	10,390	3,500	2,050	9,600	23,162
8070	RENTAL/PROP & EQUIP NOC	-	-	5,700	30,000	-	7,280	102,350
8080	SERVICES-PROF & TECH NOC	525,000	108,400	359,899	182,000	-	177,132	567,688
80802	SERVICES-OTHER SPECIAL	-	-	443,318	-	160,000	-	-
80805	SERVICES-TREE RELATED	-	-	-	-	-	-	-
8081	SERVICES-JANITORIAL	-	-	11,300	-	-	-	92,151
8091	SERVICES-COMPUTER CONSULT	-	-	-	-	-	-	45,305
8100	TRAVEL & MEETINGS NOC	9,000	4,100	12,550	7,500	2,000	18,050	9,770
8105	TRAINING	3,000	-	20,000	10,500	3,500	32,500	142,233
8106	TRAINING, POST	-	-	-	-	-	-	94,750
8107	TRAINING, CITY WIDE	-	-	-	59,000	-	-	-
8110	UTILITIES NOC	-	-	-	-	-	-	-
8112	UTILITIES - TELEPHONE	-	960	8,100	2,660	2,700	166,340	192,075
8114	UTILITIES - NATURAL GAS	-	-	-	-	-	-	3,800
8116	UTILITIES - ELECTRICITY	-	-	54,600	-	-	-	126,500
8117	UTILITIES-ELCTRIC VEH PGM	-	-	-	-	-	-	-
8118	UTILITIES - WATER	-	-	500	-	-	-	5,000
8140	SUPPLIES- OFFICE NOC	4,000	7,000	16,000	14,018	6,000	62,966	65,285
8142	SUPPLIES- COMPUTER/COPY MACHINE	-	-	-	-	-	12,175	41,500
8145	SUPPLIES-AUTO PARTS EXPNS	-	-	-	-	-	-	77,000
8148	SUPPLS-CHKS/INVOICES/FRMS	-	-	-	-	-	6,800	-
8150	SUPPLIES- JANITORIAL NOC	-	-	1,500	-	-	100	13,000
8155	WASTEWATER/SEWER PROGRAMS	-	-	-	-	-	-	-
8156	WELLS & STATION MAINTENANCE	-	-	-	-	-	-	-
8160	MAINT & REPAIR MATRLS NOC	-	600	132,968	-	-	4,700	5,000
8165	MAINT - IRRIGATION REPAIR	-	-	-	-	-	-	-
8166	MAINT - STORM DRAINS	-	-	-	-	-	-	-
8170	MAINT - BEACH CLEANING	-	-	40,000	-	-	-	-

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
967,490	1,371,774	2,354,145	6,066,421	2,354,434	1,449,709	2,955,409	3,464,529	890,356	-	34,508,966
11,041,977	-	-	-	-	-	-	-	-	-	24,205,425
1,127,720	-	91,408	15,756	882,098	512,664	59,219	256,012	-	-	4,325,807
-	49,704	47,007	427,033	8,788	2,944	6,476	145,588	17,796	-	996,910
-	-	-	-	-	-	-	-	-	-	963,321
503,724	-	-	-	-	-	-	-	-	-	503,724
1,450,550	-	-	-	-	-	-	-	-	-	1,450,550
866,319	-	-	-	-	-	-	-	-	-	866,319
-	-	-	74,664	-	-	-	-	-	-	74,664
18,396	-	-	-	-	-	-	-	-	-	26,958
-	150	-	-	9,242	475	-	2,325	-	-	66,639
161,056	-	25,421	14,650	-	990	774	25,700	7,606	-	297,813
384,688	-	-	-	-	-	-	-	-	-	842,391
385,781	-	-	-	-	-	-	-	-	-	1,246,260
-	-	-	-	-	-	-	-	778,875	-	778,875
-	-	-	-	-	-	-	-	376,875	-	376,875
-	-	-	-	-	-	-	-	-	-	97,530
1,484,420	187,348	285,952	1,084,344	404,276	246,510	325,393	517,671	147,906	-	7,950,466
-	-	-	-	-	240	-	-	-	-	8,639
1,200	1,200	1,200	-	1,200	1,058	1,200	600	-	-	16,658
-	-	(8,500)	-	-	-	-	-	109,010	109,721	125,231
-	-	-	-	-	-	-	-	1,865,946	-	1,865,946
35,300	-	-	11,333	-	-	-	80,712	-	-	132,745
17,453	2,130	3,272	11,863	4,280	2,615	3,753	5,880	1,637	-	90,366
3,856	479	731	2,772	1,033	630	832	1,323	378	-	20,388
23,449	24,714	49,139	590,560	61,170	50,917	69,074	286,394	84,373	-	1,468,688
658,386	-	-	-	-	-	-	-	-	-	1,730,734
420,331	48,012	82,395	212,325	82,405	50,740	103,439	121,259	31,162	-	2,052,827
127,064	16,652	30,079	62,824	42,145	26,915	37,693	37,143	10,071	-	728,032
14,330	20,060	35,088	15,015	34,280	16,367	43,947	8,933	2,263	-	292,968
71,000	101,617	176,022	436,677	201,570	119,334	218,628	264,340	64,459	-	2,651,121
96,162	136,670	237,105	598,075	270,801	159,891	294,595	361,694	87,771	-	3,594,845
3,377,873	-	-	-	-	-	-	-	-	-	7,393,728
1,133,484	-	-	-	-	-	-	-	-	-	2,475,426
42,289	-	3,428	591	23,385	13,169	2,221	3,882	50,250	-	163,663
24,414,299	1,960,508	3,413,891	9,624,903	4,381,107	2,655,168	4,122,653	5,583,985	4,526,734	109,721	104,391,494
31,500	8,000	-	1,000	20,000	-	-	4,000	-	14,460	148,345
122,514	500	8,000	276,600	2,000	27,500	5,600	58,500	8,500	1,000	812,445
428,187	3,309	38,780	1,031,512	3,417	48,940	39,437	323,655	28,372	-	1,996,202
916,004	1,830	34,197	1,030,118	2,792	54,889	30,028	385,051	19,566	8,347	3,132,120
149,231	8,200	33,100	99,159	74,330	6,477	249,170	7,450	3,975	-	1,154,298
223,059	-	-	59,500	54,120	70,000	-	39,950	-	-	717,492
23,120	12,000	3,400	1,500	16,000	38,198	3,906	50,000	-	-	277,737
29,568	12,000	4,450	1,250	2,810	4,165	8,100	6,550	1,500	-	149,745
91,040	-	500	11,000	31,200	101,000	-	6,200	-	10,279	396,549
122,140	189,000	102,000	3,232,136	14,500	1,235,421	115,097	246,800	81,000	800	7,259,013
276,133	80,994	-	61,391	-	-	-	-	-	-	1,021,836
-	-	-	150,000	-	-	-	-	-	-	150,000
8,721	-	-	962,650	75,225	95,388	-	1,500	-	-	1,246,935
-	-	-	-	-	-	-	-	-	-	45,305
75,470	9,500	5,600	4,050	9,050	6,250	8,000	5,250	4,275	-	190,415
57,324	8,500	17,500	4,300	5,900	16,950	11,000	18,700	5,000	25,800	382,707
-	-	-	-	-	-	-	-	-	-	94,750
-	-	-	-	-	-	-	-	-	-	59,000
56,108	750	11,045	20,300	9,949	11,360	9,400	29,800	3,000	-	524,547
10,731	-	-	13,000	31,853	7,100	-	2,000	2,500	-	70,984
80,369	-	-	167,500	154,828	62,000	-	1,561,500	23,000	-	2,230,297
-	-	-	-	-	-	-	-	500	-	500
8,300	-	-	661,000	13,954	22,303	-	28,000	-	-	739,057
101,868	6,000	12,100	6,650	39,070	23,448	19,900	5,600	1,000	-	390,905
54,868	-	-	-	3,750	-	-	-	-	-	112,293
-	-	-	-	-	-	-	-	348,500	-	425,500
11,250	-	-	-	-	-	-	-	-	-	18,050
19,000	-	-	53,917	22,100	19,578	-	1,500	-	-	130,695
-	-	-	-	-	-	-	15,000	-	-	15,000
-	-	-	-	-	-	-	224,000	-	-	224,000
28,220	1,000	-	200,125	15,450	15,966	1,800	400,000	-	-	805,829
-	-	-	28,093	-	-	-	-	-	-	28,093
-	-	-	60,900	-	-	-	-	-	-	60,900
-	-	-	17,600	-	-	-	-	-	-	57,600

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 EXPENSES	-	-	-	-	-	-	788,078
8179	ABLE - CAPITAL REPLACEMENT	-	-	-	-	-	-	-
8180	MAINT - OUTSIDE LABOR	-	-	-	-	-	-	-
8181	MAINT-COMP SOFTWARE	-	-	-	-	-	-	344,161
8182	MAINT-COMP HARDWARE	-	-	-	-	-	-	79,845
8183	MAINT-BACKFLOW & SCADA	-	-	-	-	-	-	-
8190	WATER PROGRAMS	-	-	-	-	-	-	-
8200	SPECIAL DEPT SUPPLIES NOC	2,000	-	9,530	-	16,775	70,000	99,914
8202	COMPUTER SUPPLIES	-	-	1,500	-	-	-	-
8204	UNIFORM EXPENSE	-	-	-	-	-	2,380	135,000
8206	PRISONER CUSTODY EXPENSE	-	-	-	-	-	-	61,000
8208	PHOTO EXPENSE	-	-	-	-	-	-	20,000
8209	SHOOTING RANGE SUPPLIES	-	-	-	-	-	-	40,525
8210	S.W.A.T. SUPPLIES	-	-	-	-	-	-	20,695
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	INSCDCDES/HRBCDES/FNGCDES	-	-	-	-	-	-	-
8235	PLANT MATERIALS	-	-	-	-	-	-	-
8236	FERTILIZER/TOP SOIL/AMENDMENTS	-	-	-	-	-	-	-
8238	ASPHALT/CONCRETE MATERIALS	-	-	-	-	-	-	-
8240	TOOLS, INSTRUMENTS, ETC	-	-	800	-	-	3,100	4,500
8250	SPECIAL DEPT EXPENSE NOC	371,200	-	-	164,000	-	1,938	53,000
8254	CITY GRANTS	25,000	-	-	-	-	-	-
8255	TUITION REIMBURSEMENT	-	-	-	30,000	-	-	-
8257	SISTER CITIES	-	-	-	-	-	-	-
8259	EMPLOYEE RIDESHARE PRGM	-	-	-	-	-	-	-
8260	LIBRARY MATERIALS	-	-	-	-	-	-	-
8265	FIREWORKS	30,000	-	-	-	-	-	-
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	319	655	1,837	-	1,230	13,532	1,466,096
8511	CITY SCHOLARSHIP TRUST	-	-	-	-	-	-	-
8512	HIGH TECH LIBRARY TRUST	-	-	-	-	-	-	-
8551	ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-
8638	EXCESS INSURANCE	-	-	-	-	-	-	-
N/A	WORKERS' COMPENSATION	-	-	-	-	-	-	-
N/A	GENERAL LIABILITY	-	-	-	-	-	-	-
	SUBTOTAL MAINT. & OPERATION	1,004,669	154,804	1,229,722	563,660	197,656	1,118,903	6,311,151
9000	OFFICE EQUIPMENT	-	-	12,000	6,000	4,000	41,619	11,372
9005	PC REPLACEMENT	-	-	5,000	2,000	-	267,500	507,416
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	-	-	232,000	5,400
9400	OFFICE FURNITURE/FIXTURES	7,000	-	-	-	-	2,100	4,000
	SUBTOTAL CAPITAL OUTLAY	7,000	-	36,000	8,000	4,000	545,719	533,188
	DEBT SERVICE							
	TOTAL OPERATING EXPENSES	1,267,861	493,009	3,789,004	1,650,620	1,051,480	7,431,501	39,629,522
	CAPITAL IMPROVEMENT PROJECTS							
	TOTAL	1,267,861	493,009	3,789,004	1,650,620	1,051,480	7,431,501	39,629,522

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
-	-	-	5,000	-	-	-	-	-	-	5,000
-	-	-	6,500	-	-	-	-	-	-	6,500
-	-	-	-	-	-	-	-	-	-	788,078
-	-	-	-	-	-	-	-	63,500	-	63,500
-	-	-	-	45,294	-	-	-	6,000	-	395,455
-	-	-	-	-	-	-	270,000	-	-	270,000
-	-	-	-	-	-	-	408,000	-	-	408,000
377,130	5,500	30,400	15,000	34,110	205,501	9,117	235,100	85,000	-	1,195,077
12,900	-	-	-	-	-	-	-	-	-	14,400
118,434	-	-	47,800	-	540	-	11,900	-	-	316,054
-	-	-	-	-	-	-	-	-	-	61,000
-	-	-	-	-	-	-	-	-	-	20,000
-	-	-	-	-	-	-	-	-	-	40,525
-	-	-	-	-	-	-	-	-	-	20,695
-	-	-	-	-	-	-	-	-	-	12,590
-	-	-	56,550	-	-	-	-	-	-	56,550
-	-	-	18,300	-	-	-	-	-	-	18,300
-	-	-	4,000	-	-	-	-	-	-	4,500
-	-	-	17,600	-	-	-	-	-	-	17,600
-	-	-	106,000	-	-	-	-	-	-	106,000
-	-	-	20,200	-	-	-	-	-	-	20,200
-	-	-	38,500	-	-	-	-	-	-	38,500
-	-	-	22,500	-	-	-	-	-	-	22,500
-	-	-	6,000	-	-	-	-	-	-	6,000
-	-	-	36,000	-	-	-	-	-	-	36,000
-	-	-	25,000	-	-	-	-	-	-	25,000
-	-	-	581,200	-	-	-	-	-	-	581,200
800	300	1,000	11,350	-	-	1,150	8,700	6,000	-	37,700
164,618	150,080	-	1,968,950	-	88,000	-	121,000	2,000	21,750	3,106,536
-	-	-	-	40,000	-	-	-	-	-	65,000
-	-	-	-	-	-	-	-	-	-	30,000
-	-	-	-	21,500	-	-	-	-	-	21,500
-	-	-	-	639,740	-	-	-	-	6,625	639,740
-	-	-	-	-	-	-	-	-	-	30,000
-	-	-	-	-	-	-	3,400,000	-	-	3,400,000
-	-	-	-	-	-	-	3,200,000	-	-	3,200,000
-	-	-	-	-	-	-	80,000	-	-	80,000
-	-	-	-	-	-	-	-	-	-	-
461,795	-	-	35,000	-	-	-	185,000	-	19,790	701,585
-	-	-	-	-	-	-	100,000	-	-	100,000
58,000	-	-	-	-	-	-	1,759,490	-	-	1,817,490
217,308	21,548	7,425	740,005	5,172	62,458	347,815	366,243	77,055	-	3,328,698
-	59,659	-	-	-	-	-	-	-	5,000	64,659
-	15,000	-	-	-	-	-	-	-	38,400	38,400
-	-	-	-	3,700	-	-	-	-	-	15,000
-	-	-	-	-	-	-	-	-	90,000	93,700
-	-	-	-	-	-	-	-	2,418,461	-	2,418,461
-	-	-	-	-	-	-	-	2,970,228	-	2,970,228
4,335,710	593,670	309,497	11,916,706	1,391,814	2,223,432	859,519	13,566,438	6,158,932	242,251	52,178,534
-	25,500	18,500	15,500	111,100	13,000	20,700	3,000	-	-	282,291
25,125	9,250	-	-	-	-	1,200	13,000	3,500	-	833,991
10,500	-	-	-	-	-	-	-	-	-	15,500
-	-	-	-	-	-	-	-	2,238,500	-	2,238,500
-	-	-	-	-	-	-	-	4,700	-	4,700
-	-	-	-	-	-	-	-	330,000	-	330,000
-	-	-	-	-	-	-	2,000	13,000	-	17,500
168,010	-	-	16,600	-	2,000	-	33,650	42,000	27,430	546,090
-	16,000	8,000	-	-	-	9,200	1,000	-	-	47,300
203,635	50,750	26,500	32,100	111,100	15,000	31,100	52,650	2,631,700	27,430	4,315,872
-	-	-	-	-	-	-	-	-	3,954,147	3,954,147
28,953,644	2,604,928	3,749,888	21,573,709	5,884,021	4,893,600	5,013,272	19,203,073	13,317,368	4,333,549	164,840,047
-	-	-	-	-	-	-	-	-	41,103,101	41,103,101
28,953,644	2,604,928	3,749,888	21,573,709	5,884,021	4,893,600	5,013,272	19,203,073	13,317,368	45,436,650	205,943,148

SUMMARY OF ESTIMATED 2005-06 YEAR END FUND BALANCES

Fund / Account	Actual	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	-	130,136,827	17,661,805	13,820,151	122,339,685	11,638,796	-
Contingency Reserve	15,202,852	-	-	-	-	-	15,202,852
Stabilization Reserve	-	-	-	-	-	-	-
Actual Fair Market Value Adj.	-	-	-	-	-	-	-
Future Fair Market Value Adj.	-	-	-	-	-	-	-
Appropriations Reserve (operating)	7,095,959	-	-	1,594,903	-	-	5,501,056
Appropriations Reserve (capital)	1,402,100	-	1,574,621	1,402,100	-	-	1,574,621
Reserve for Inventories	213,352	-	-	-	-	-	213,352
Reserve for Prepaid Items	648,365	-	-	236,561	-	-	411,804
Reserve for Encumbrances	2,432,061	-	-	2,432,061	-	-	-
Unrealized Events Impacting Budget	-	-	-	2,751,901	-	-	-
Affordable Housing Reserve	1,329,420	-	-	-	-	-	1,329,420
Reserve for Long term receivable	50,000	-	-	-	-	-	50,000
Paramedic Program (Hoag)	306,163	-	1,449	-	-	-	307,612
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	-	-	-	-	483,679	952,295
Off Street Parking	74,887	-	7,000	-	-	-	81,887
In Lieu Parking Fees	295,489	-	72,000	-	-	-	367,489
Neighborhood Enhancement Res. A	125,786	-	28,000	-	-	-	153,786
Neighborhood Enhancement Res. B	837,357	-	300,000	74,999	-	-	1,062,358
Oceanfront Encroachment	804,898	-	-	-	-	-	804,898
Reserve for Capital Improvement	14,300,000	-	2,000,000	5,300,000	-	-	11,000,000
Reserve for PERS Rate	5,000,000	-	-	-	-	-	5,000,000
	54,487,395	130,136,827	21,675,375	27,612,676	122,339,685	12,122,475	44,224,761
Ackerman Donation Fund	-	-	-	-	-	-	-
Appropriations Reserve	-	35,000	-	19,900	15,100	-	-
Appropriations Reserve - Scholarship	182,368	-	-	-	-	-	182,368
Appropriations Reserve - Hi Tech	9,482	-	-	-	-	-	9,482
Perm Scholarship Endowment Reserve	199,389	-	5,900	-	-	-	205,289
Perm Equipment Endowment Reserve	598,166	-	14,000	-	-	-	612,166
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrance	-	-	-	-	-	-	-
CDBG Fund	-	-	-	-	-	-	-
Appropriations Reserve	177,342	872,858	56,150	31,500	435,972	741,288	(102,410)
Reserve for Encumbrance	56,150	-	-	56,150	-	-	-
AQMD Fund	-	-	-	-	-	-	-
Appropriations Reserve	95,606	104,000	-	-	26,415	-	173,191
Reserve for Encumbrance	-	-	-	-	-	-	-
Asset Forfeiture Fund	-	-	-	-	-	-	-
Appropriations Reserve	85,601	70,000	48,291	-	248,886	-	(44,994)
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	48,291	-	-	48,291	-	-	-
SLESF - COPS Fund	-	121,722	-	-	120,000	-	1,722
Local Law Enforcement Block Grant	-	-	-	-	-	-	-
Appropriations Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
State Gas Tax Fund	-	-	-	-	-	-	-
Appropriations Reserve	2,749,675	1,948,823	782,955	160,000	-	3,345,955	1,975,498
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	782,955	-	-	782,955	-	-	-
Traffic Congestion Relief Fund	-	-	-	-	-	-	-
Appropriations Reserve	-	352,362	-	-	-	344,638	7,724
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Measure M Fund	-	-	-	-	-	-	-
Turnback	1,374,120	1,200,000	1,234,944	-	-	1,700,794	2,108,270
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Turnback Encumbrances	1,234,944	-	-	1,234,944	-	-	-
Competitive	(535,313)	566,238	534,023	-	-	534,022	30,926
Competitive Encumbrances	534,023	-	-	534,023	-	-	-

SUMMARY OF ESTIMATED 2005-06 YEAR END FUND BALANCES

Fund / Account	Actual	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
Transportation Efficiency Act	-	-	-	-	-	-	-
Appropriations Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Bikes & Trailways SB821							
Appropriation Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
AHRP Fund							
Appropriations Reserve	6,576	-	-	-	-	400,000	(393,424)
Reserve for Encumbrances	-	-	-	-	-	-	-
Tide and Submerged Land Fund							
Appropriation Reserve	-	8,112,178	552,713	4,425,548	2,616,901	1,622,442	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Appropriations Reserve (capital)	-	-	1,060,269	-	-	-	1,060,269
Reserve for Encumbrances	552,713	-	-	552,713	-	-	-
Upper Bay Reserve	74,174	-	75,000	311,000	-	-	(161,826)
Oil and Gas	120,000	-	40,000	-	-	-	160,000
Contributions Fund							
Misc Cooperative Projects	(2,608,849)	1,275,981	1,155,638	-	-	1,754,628	(1,931,858)
Bristol Street Relinquishment	-	750,000	-	-	-	-	750,000
PCH Relinquishment	3,511,000	-	-	-	-	100,000	3,411,000
Environmental Contributions	139,996	1,077,349	-	-	-	1,831,723	(614,378)
Reserve for Encumbrances	1,155,638	-	-	1,155,638	-	-	-
Circulation and Transportation Fund							
Appropriations Reserve	2,831,040	511,717	1,184,963	200,000	-	2,264,623	2,063,097
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	1,184,963	-	-	1,184,963	-	-	-
Building Excise Tax Fund							
Appropriations Reserve	392,154	209,356	-	-	-	482,750	118,760
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Environmental Liability Fund							
Appropriation Reserve	1,868,669	430,000	-	-	90,000	-	2,208,669
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Oil Spill Remediation Fund							
Appropriation Reserve	854,267	36,000	56,063	-	-	900,909	45,421
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	56,063	-	-	56,063	-	-	-
Newport Annexation Funds							
Receipt Fund	9,400,000	3,336,000	-	1,377,500	-	-	11,358,500
Fair Value Adj. Reserve-Receipt	-	-	-	-	-	-	-
Allocation Fund	-	-	1,200,000	-	1,200,000	-	-
Fair Value Adj. Reserve-Allocation	-	-	-	-	-	-	-
Building Fund	6,697,482	205,000	218,037	-	-	7,004,037	116,482
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	-	-	2,842,221	(542,137)
Reserve for Encumbrances	478,992	-	-	478,992	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Civic Center/ Fire Station Construction							
Appropriation Reserve	(144,309)	-	365,411	-	-	371,011	(149,909)
Reserve for Encumbrances	365,411	-	-	365,411	-	-	-

SUMMARY OF ESTIMATED 2005-06 YEAR END FUND BALANCES

Fund / Account	Actual	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
CIOA Fund							
Appropriation Reserve	3,331,647	100,455	200,000	-	-	-	3,632,102
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Bonita Canyon Development Fund							
Appropriation Reserve	78,226	5,000	-	-	-	75,457	7,769
Reserve for Encumbrances	-	-	-	-	-	-	-
Mariners Library Fund							
Appropriation Reserve	(2,203,158)	2,397,119	3,342,406	-	-	3,885,046	(348,679)
Reserve for Encumbrances	3,342,406	-	-	3,342,406	-	-	-
Fire Station #7 Fund							
Appropriation Reserve	(172,277)	1,600,000	1,697,901	-	-	3,053,499	72,125
Reserve for Encumbrances	197,901	-	-	197,901	-	-	-
Back Bay Science Center Fund							
Appropriation Reserve	5,461	-	2,017,608	-	-	6,021,406	-
Reserve for Encumbrances	45,444	3,834,400	-	45,444	-	-	(163,937)
SAH Community Center							
Appropriation Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
MISC SAH Projects Fund							
Appropriation Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Newport Bay Dredging Fund							
Permanent Endowment	3,857,000	-	-	-	-	-	3,857,000
Appropriation Reserve	68,883	120,000	-	-	-	-	188,883
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Insurance Reserve Fund							
Workers' Compensation Reserve	6,788,531	3,949,421	-	-	2,420,075	-	8,317,877
Liability Reserve	306,108	2,578,697	1,500,000	-	2,619,108	-	1,765,697
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Retiree Medical Fund							
Operating Fund	(162,900)	1,100,000	6,113,618	-	1,336,355	-	5,714,363
Conversion Fund	2,301,788	236,663	1,000,000	2,538,451	-	-	1,000,000
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Compensated Absence Fund							
Appropriation Reserve	1,165,800	1,618,410	-	-	1,200,000	-	1,584,210
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Equipment Fund							
Equipment Maintenance	-	1,872,937	278,439	125,000	1,874,676	405,254	(253,554)
Equipment Replacement - All Other	7,140,994	2,743,765	1,739,010	403,439	3,582,986	-	7,637,344
Equipment Replacement - PD	1,381,041	671,916	-	-	600,707	-	1,452,250
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	1,739,010	-	-	1,739,010	-	-	-
Water Enterprise Fund							
Water System Reserve	3,399,356	-	2,298,303	-	-	-	5,697,659
Stabilization Reserve	3,508,126	-	-	787,645	-	-	2,720,481
Future Infrastructure Reserve	3,417,359	-	-	3,417,359	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	3,390,180	-	-	3,390,180	-	-	-
	<u>13,715,021</u>	<u>19,172,466</u>	<u>9,893,487</u>	<u>9,893,487</u>	<u>16,597,668</u>	<u>7,090,319</u>	<u>9,199,500</u>
Wastewater Enterprise Fund							
Wastewater System Reserve	1,602,276	3,166,000	1,850,209	-	2,481,269	2,434,085	100,855
Stabilization Reserve	569,565	-	-	435,674	-	-	1,166,602
Future Infrastructure Reserve	1,535	-	-	568,030	-	-	1,535
Fair Value Adj. Reserve	-	-	-	1,535	-	-	-
Reserve for Encumbrances	844,970	-	-	844,970	-	-	-
	<u>3,018,346</u>	<u>3,166,000</u>	<u>1,850,209</u>	<u>1,850,209</u>	<u>2,481,269</u>	<u>2,434,085</u>	<u>1,268,992</u>
TOTAL	<u>137,555,091</u>	<u>196,532,384</u>	<u>60,941,651</u>	<u>60,941,651</u>	<u>160,376,053</u>	<u>61,328,582</u>	<u>112,382,841</u>

SUMMARY OF ESTIMATED 2006-07 YEAR END FUND BALANCES

Fund / Account	Fund Balance 2005-06	Estimated Revenue 2006-07	Transfers		Estimated Budget Expenditures 2006-07	Estimated Capital Improvements 2006-07	Estimated Year End Fund Balance 2006-07
			In	Out			
General Fund	-	136,424,519	6,354,958	7,582,502	128,907,125	6,289,850	-
Contingency Reserve	15,202,852	-	1,090,282	-	-	-	16,293,134
Stabilization Reserve	-	-	-	-	-	-	-
Actual Fair Market Value Adj.	-	-	-	-	-	-	-
Future Fair Market Value Adj.	-	-	-	-	-	-	-
Appropriations Reserve (operating)	5,501,056	-	-	200,000	-	-	5,301,056
Appropriations Reserve (capital)	1,574,621	-	-	1,574,621	-	-	-
Reserve for Inventories	213,352	-	-	-	-	-	213,352
Reserve for Prepaid Items	411,804	-	-	-	-	-	411,804
Reserve for Encumbrances	-	-	-	-	-	-	-
Unrealized Events Impacting Budget	-	-	-	-	-	-	-
Affordable Housing Reserve	1,329,420	-	-	-	-	-	1,329,420
Reserve for Long term receivables	50,000	-	-	-	-	-	50,000
Paramedic Program (Hoag)	307,612	-	-	57,612	-	-	250,000
Recreation Instruction Reserve	190,692	-	28,000	-	-	-	218,692
Senior Citizen Site	20,639	-	2,500	-	-	-	23,139
Park In Lieu Fees	952,295	-	68,940	-	-	150,000	871,235
Off Street Parking	81,887	-	7,000	-	-	-	88,887
In Lieu Parking Fees	367,489	-	40,000	-	-	-	407,489
Neighborhood Enhancement Res. A	153,786	-	28,000	-	-	-	181,786
Neighborhood Enhancement Res. B	1,062,358	-	300,000	75,000	-	130,000	1,157,358
Oceanfront Encroachment	804,898	-	-	-	-	299,139	505,759
Reserve for Capital Improvement	11,000,000	-	3,000,000	-	-	-	14,000,000
Reserve for PERS Rate Changes	5,000,000	-	-	-	-	-	5,000,000
	44,224,761	136,424,519	10,919,680	9,489,735	128,907,125	6,868,989	46,303,111
Ackerman Donation Fund							
Appropriations Reserve	-	40,000	-	40,000	-	-	-
Appropriations Reserve - Scholarship	182,368	-	8,000	-	5,000	-	185,368
Appropriations Reserve - Hi Tech	9,482	-	10,000	-	38,400	-	(18,918)
Perm Scholarship Endowment Reserv	205,289	-	7,000	-	-	-	212,289
Perm Equipment Endowment Reserv	612,166	-	15,000	-	-	-	627,166
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrance	-	-	-	-	-	-	-
CDBG Fund							
Appropriations Reserve	(102,410)	374,792	-	15,450	346,877	-	(89,945)
Reserve for Encumbrance	-	-	-	-	-	-	-
AQMD Fund							
Appropriations Reserve	173,191	104,000	-	-	26,415	-	250,776
Reserve for Encumbrance	-	-	-	-	-	-	-
Asset Forfeiture Fund							
Appropriations Reserve	(44,994)	45,000	-	-	89,337	-	(89,331)
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
SLESF - COPS Fund	1,722	122,000	-	-	120,000	-	3,722
Local Law Enforcement Block Grant							
Appropriations Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
State Gas Tax Fund							
Appropriations Reserve	1,975,498	1,947,500	-	160,000	-	2,332,703	1,430,295
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Traffic Congestion Relief Fund							
Appropriations Reserve	7,724	355,000	-	-	-	325,500	37,224
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Measure M Fund							
Turnback	2,108,270	1,156,928	-	-	-	1,028,150	2,237,048
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Turnback Encumbrances	-	-	-	-	-	-	-
Competitive	30,926	-	-	-	-	500,000	(469,074)
Competitive Encumbrances	-	-	-	-	-	-	-

SUMMARY OF ESTIMATED 2006-07 YEAR END FUND BALANCES

Fund / Account	Fund Balance 2005-06	Estimated Revenue 2006-07	Transfers		Estimated Budget Expenditures 2006-07	Estimated Capital Improvements 2006-07	Estimated Year End Fund Balance 2006-07
			In	Out			
Transportation Efficiency Act	-	-	-	-	-	500,000	(500,000)
Appropriations Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Bikes & Trailways SB821	-	-	-	-	-	-	-
Appropriation Reserve	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
AHRP Fund	-	-	-	-	-	-	-
Appropriations Reserve	(393,424)	400,000	-	-	-	1,090,000	(1,083,424)
Reserve for Encumbrances	-	-	-	-	-	-	-
Tide and Submerged Land Fund	-	-	-	-	-	-	-
Appropriation Reserve	-	8,119,529	1,060,269	3,857,275	2,677,254	2,645,269	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Appropriations Reserve (capital)	1,060,269	-	-	1,060,269	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Upper Bay Reserve	(161,826)	-	75,000	-	-	-	(86,826)
Oil and Gas	160,000	-	40,000	-	-	-	200,000
Contributions Fund	-	-	-	-	-	-	-
Misc Cooperative Projects	(1,931,858)	384,488	-	-	-	4,819,778	(6,367,148)
Bristol Street Relinquishment	750,000	-	-	-	-	750,000	-
PCH Relinquishment	3,411,000	-	-	-	-	90,000	3,321,000
Environmental Contributions	(614,378)	702,025	-	-	-	4,696,647	(4,609,000)
Reserve for Encumbrances	-	-	-	-	-	-	-
Circulation and Transportation Fund	-	-	-	-	-	-	-
Appropriations Reserve	2,063,097	448,000	-	230,000	-	2,642,600	(361,503)
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Building Excise Tax Fund	-	-	-	-	-	-	-
Appropriations Reserve	118,760	160,000	-	-	-	335,303	(56,543)
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Environmental Liability Fund	-	-	-	-	-	-	-
Appropriation Reserve	2,208,669	446,000	-	-	90,000	635,000	1,929,669
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Oil Spill Remediation Fund	-	-	-	-	-	-	-
Appropriation Reserve	45,421	5,000	-	-	-	-	50,421
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Newport Annexation Funds	-	-	-	-	-	-	-
Receipt Fund	11,358,500	448,000	-	1,400,000	-	-	10,406,500
Fair Value Adj. Reserve-Receipt	-	-	-	-	-	-	-
Allocation Fund	-	-	1,200,000	-	1,200,000	-	-
Fair Value Adj. Reserve-Allocation	-	-	-	-	-	-	-
Building Fund	116,482	270,000	-	-	-	-	386,482
Fair Value Adj. Reserve-Building	-	-	-	-	-	-	-
Reserve for Encumbrances-Building	-	-	-	-	-	-	-
Library Debt Service Fund	-	-	-	-	-	-	-
Appropriation Reserve	-	-	567,780	-	567,780	-	-
Reserve for Debt Service	568,240	-	-	-	-	-	568,240
Assessment District Projects	-	-	-	-	-	-	-
Appropriation Reserve	(542,137)	13,724	-	-	-	-	(528,413)
Reserve for Encumbrances	-	-	-	-	-	-	-
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Civic Center/ Fire Station Construction	-	-	-	-	-	-	-
Appropriation Reserve	(149,909)	-	-	-	-	-	(149,909)
Reserve for Encumbrances	-	-	-	-	-	-	-

SUMMARY OF ESTIMATED 2006-07 YEAR END FUND BALANCES

Fund / Account	Fund Balance 2005-06	Estimated Revenue 2006-07	Transfers		Estimated Budget Expenditures 2006-07	Estimated Capital Improvements 2006-07	Estimated Year End Fund Balance 2006-07
			In	Out			
CIOSA Fund							
Appropriation Reserve	3,632,102	120,000	150,000	-	-	1,080,000	2,822,102
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Bonita Canyon Development Fund							
Appropriation Reserve	7,769	4,000	-	-	-	-	11,769
Reserve for Encumbrances	-	-	-	-	-	-	-
Mariners Library Fund							
Appropriation Reserve	(348,679)	23,743	-	-	-	-	(324,936)
Reserve for Encumbrances	-	-	-	-	-	-	-
Fire Station #7							
Appropriation Reserve	72,125	-	-	-	-	2,815,162	(2,743,037)
Reserve for Encumbrances	-	-	-	-	-	-	-
Back Bay Science Center Fund							
Appropriation Reserve	(163,937)	-	-	-	-	-	(163,937)
Reserve for Encumbrances	-	-	-	-	-	-	-
SAH Community Center							
Appropriation Reserve	-	-	-	-	-	4,150,000	(4,150,000)
Reserve for Encumbrances	-	-	-	-	-	-	-
MISC SAH Projects Fund							
Permanent Endowment	-	-	-	-	-	50,000	(50,000)
Appropriation Reserve	-	-	-	-	-	-	-
Newport Bay Dredging Fund							
Permanent Endowment	3,857,000	-	-	-	-	-	3,857,000
Appropriation Reserve	188,883	160,000	-	-	-	-	348,883
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Insurance Reserve Fund							
Workers' Compensation Reserve	8,317,877	3,311,921	-	-	2,418,461	-	9,211,337
Liability Reserve	1,765,697	3,441,197	-	-	2,970,228	-	2,236,666
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Retiree Medical Fund							
Operating Fund	5,714,363	388,000	1,700,000	-	1,974,956	-	5,827,407
Conversion Fund	1,000,000	212,500	750,000	-	-	-	1,962,500
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Compensated Absence Fund							
Appropriation Reserve	1,584,210	2,071,972	-	-	1,206,000	-	2,450,182
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Equipment Fund							
Equipment Maintenance	(253,554)	1,989,590	165,901	125,000	2,035,523	-	(258,586)
Equipment Replacement - All Other	7,637,344	2,885,843	-	290,901	2,130,768	-	8,101,518
Equipment Replacement - PD	1,452,250	953,570	-	-	701,000	-	1,704,820
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
Water Enterprise Fund							
Water System Reserve	781,360	17,929,000	346,431	-	16,631,293	2,849,000	(423,502)
Stabilization Reserve	5,697,659	-	-	-	-	-	5,697,659
Future Infrastructure Reserve	2,720,481	-	-	346,431	-	-	2,374,050
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
	9,199,500	17,929,000	346,431	346,431	16,631,293	2,849,000	7,648,207
Wastewater Enterprise Fund							
Wastewater System Reserve	100,855	3,434,000	-	57,406	2,602,594	899,000	(24,145)
Stabilization Reserve	1,166,602	-	57,406	-	-	-	1,224,008
Future Infrastructure Reserve	1,535	-	-	-	-	-	1,535
Fair Value Adj. Reserve	-	-	-	-	-	-	-
Reserve for Encumbrances	-	-	-	-	-	-	-
	1,268,992	3,434,000	57,406	57,406	2,602,594	899,000	1,201,398
TOTAL	112,382,841	188,891,841	17,072,467	17,072,467	166,739,011	41,103,101	93,432,570

2006-07 FUND TRANSFERS - ALL FUNDS

General Fund

Transfer In (From General Fund Reserves):

Current Year Operations	\$ 1,907,233
Contingency Reserve	1,090,282
Actual Fair Market Value Adj.	-
Appropriations Reserve (operating)	-

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	3,000,000
Reserve for PERS Rate Changes	-

Transfer In (From Other Funds):

Gas Tax Fund	160,000
Tidelands Fund	3,742,275
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 **\$ 10,919,680**

General Fund

Transfer Out (To General Fund Reserves):

Current Year Operations	\$ 4,564,722
Contingency Reserve	-
Actual Fair Market Value Adj.	-
Appropriations Reserve (operating)	200,000

Transfer Out (To Current Year Operations):

Appropriations Reserve (capital)	1,574,621
Encumbrances	-
Unrealized Events Impacting Budget	-
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	-

Transfer Out (To Other Funds):

Library Debt Service Fund	567,780
Retiree Medical Fund-Operating	1,700,000
Retiree Medical Fund-Conversion	750,000

Total Transfers Out **\$ 9,489,735**

Ackerman Donation Fund

Transfer In (From):

Appropriation Reserve	\$ 40,000
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Total Transfers In **\$ 40,000**

Ackerman Donation Fund

Transfer Out (To):

Fund Balance	\$ 40,000
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Total Transfers Out **\$ 40,000**

CDBG Fund

Transfer In (From):

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

CDBG Fund

Transfer Out (To):

General Fund	\$ 15,450
Appropriation Reserve	-

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

AQMD Fund

Transfer In (From):

\$ -

Total Transfers In **\$ -**

AQMD Fund

Transfer Out (To):

General Fund \$ -

Total Transfers Out **\$ -**

2006-07 FUND TRANSFERS - ALL FUNDS

Asset Forfeiture

Transfer In (From):

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

Asset Forfeiture

Transfer Out (To):

Appropriations Reserve	\$	-
Total Transfers Out	\$	-

State Gas Tax Fund

Transfer In (From):

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

State Gas Tax Fund

Transfer Out (To):

General Fund	\$	160,000
Appropriation Reserve		-
Total Transfers Out	\$	160,000

Traffic Congestion Relief Fd.

Transfer In (From):

Fund Balance	\$	-
Total Transfers In	\$	-

Traffic Congestion Relief Fd.

Transfer Out (To):

Appropriation Reserve	\$	-
Total Transfers Out	\$	-

Measure M Funds

Transfer In (From):

Turnback Encumbrances	\$	-
Competitive Encumbrances		-
Total Transfers In	\$	-

Measure M Funds

Transfer Out (To):

Turnback Fund Balance	\$	-
Competitive Fund Balance		-
Total Transfers Out	\$	-

Bikes & Trailways (SB821)

Transfer In (From):

Fund Balance	\$	-
Total Transfers In	\$	-

Bikes & Trailways (SB821)

Transfer Out (To):

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

AHRP Fund

Transfer In (From):

Fund Balance	\$	-
Total Transfers In	\$	-

AHRP Fund

Transfer Out (To):

Fund Balance	\$	-
Total Transfers Out	\$	-

Tidelands Fund

Transfer In (From):

Reserve for Encumbrances	\$	-
Tidelands Operations		115,000
Appropriation Reserve		1,060,269
Total Transfers In	\$	1,175,269

Tidelands Fund

Transfer Out (To):

General Fund	\$	3,742,275
Appropriation Reserve		1,060,269
Upper Bay Reserve		75,000
Oil & Gas Reserve		40,000
Total Transfers Out	\$	4,917,544

Contributions Fund

Transfer In (From):

Reserve for Encumbrances	\$	-
Total Transfers In	\$	-

Contributions Fund

Transfer Out (To):

Appropriation Reserve	\$	-
Total Transfers Out	\$	-

2006-07 FUND TRANSFERS - ALL FUNDS

Circulation Fund

Transfer In (From):

Fund Balance	\$	-
Reserve for Encumbrance		-
Total Transfers In	\$	-

Circulation Fund

Transfer Out (To):

General Fund	\$	80,000
Ciosa Fund		150,000
Total Transfers Out	\$	230,000

Building Excise Tax Fund

Transfer In (From):

Appropriations Reserve	\$	-
Reserve for Encumbrances		-
Fund Balance		-
Total Transfers In	\$	-

Building Excise Tax Fund

Transfer Out (To):

Reserve for Encumbrances	\$	-
Appropriation Reserve		-
Fund Balance		-
Total Transfers Out	\$	-

Environmental Liability Fund

Transfer In (From):

Appropriation Reserve	\$	-
Total Transfers In	\$	-

Environmental Liability Fund

Transfer Out (To):

Fund Balance	\$	-
Total Transfers Out	\$	-

Oil Spill Remediation Fund

Transfer In (From):

Reserve for Encumbrances	\$	-
Total Transfers In	\$	-

Oil Spill Remediation Fund

Transfer Out (To):

Appropriation Reserve	\$	-
Total Transfers Out	\$	-

Newport Annexation Funds

Transfer In (From):

Receipt Fund	\$	-
Allocation Fund		1,200,000
Building Fund Encumbrances		-
Total Transfers In	\$	1,200,000

Newport Annexation Funds

Transfer Out (To):

General Fund	\$	200,000
Receipt Fund		1,200,000
Building Fund Appropriations		-
Total Transfers Out	\$	1,400,000

Library Debt Service Fund

Transfer In (From):

General Fund	\$	567,780
Total Transfers In	\$	567,780

Library Debt Service Fund

Transfer Out (To):

Fund Balance	\$	-
Total Transfers Out	\$	-

Assessment Districts Fund

Transfer In (From):

Reserve for Encumbrance	\$	-
Fund Balance		-
Total Transfers In	\$	-

Assessment Districts Fund

Transfer Out (To):

Appropriation Reserve	\$	-
Fund Balance		-
Total Transfers Out	\$	-

Civic Center Construction

Transfer In (From):

Reserve for Encumbrances	\$	-
Total Transfers In	\$	-

Civic Center Construction

Transfer Out (To):

Appropriation Reserve	\$	-
Total Transfers Out	\$	-

2006-07 FUND TRANSFERS - ALL FUNDS

CIOSA Fund	
Transfer In (From):	
Fund Balance	\$ 150,000
Total Transfers In	\$ <u>150,000</u>

CIOSA Fund	
Transfer Out (To):	
Appropriation Reserve	\$ -
Total Transfers Out	\$ <u>-</u>

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

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

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

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

Marine Science Center	
Transfer In (From):	
Reserve for Encumbrances	\$ -
Total Transfers In	\$ <u>-</u>

Marine Science Center	
Transfer Out (To):	
Appropriation Reserve	\$ -
Total Transfers Out	\$ <u>-</u>

Retiree Medical Fund	
Transfer In (From):	
Fund Balance	\$ 2,450,000
Total Transfers In	\$ <u>2,450,000</u>

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

Insurance Reserve Fund	
Transfer In (From):	
Fund Balance	\$ -
Total Transfers In	\$ <u>-</u>

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

Equipment Fund	
Transfer In (From):	
Equipment Maintenance	\$ 165,901
Reserve for Encumbrance	-
Total Transfers In	\$ <u>165,901</u>

Equipment Fund	
Transfer Out (To):	
General Fund Overhead	\$ 290,901
General Fund Overhead	125,000
Equipment Replacement	-
Total Transfers Out	\$ <u>415,901</u>

2006-07 FUND TRANSFERS - ALL FUNDS

Water Enterprise Fund	
Transfer In (From):	
Operations	\$ -
Reserve for Encumbrances	-
Future Infrastructure Reserve	-
Stabilization Reserve	346,431
Total Transfers In	\$ <u>346,431</u>

Water Enterprise Fund	
Transfer Out (To):	
Water Operations	\$ 346,431
Water System Reserve	-
Water Fund Balance	-
Total Transfers Out	\$ <u>346,431</u>

Wastewater Enterprise Fund	
Transfer In (From):	
Wastewater System Reserve	\$ 57,406
Reserve for Encumbrance	-
Future Infrastructure Reserve	-
Stabilization Reserve	-
Total Transfers In	\$ <u>57,406</u>

Wastewater Enterprise Fund	
Transfer Out (To):	
Wastewater Operations	\$ -
Reserve for Encumbrance	-
Wastewater Infrastructure. Rsv.	57,406
Total Transfers Out	\$ <u>57,406</u>

TOTAL TRANSFERS	\$ <u>17,072,467</u>
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TOTAL TRANSFERS	\$ <u>17,072,467</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

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



Being a council member is technically just a part-time job, but the time commitment -- from early morning meetings with residents to special committee assignments to Council meetings that can run late into the night -- often takes up 40+ hours a week.

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



The City Council has two primary tools to implement policy -- the City's yearly budget (summarized as this Resource Allocation Plan) and the various priorities that the Council sets at its twice-a-month public meetings. For the year 2006-07, the Council expects to follow these efforts closely:

--- 2006-07 Council Efforts ---

- Approval of an updated General Plan for the community.
- Assisting with the California Coastal Commission’s final review and approval of a Local Coastal Program (LCP) for Newport Beach, including an Implementation Plan and the already-approved Land Use Plan.
- Working with the County of Orange to more effectively – but cooperatively – manage issues within our “sphere of influence,” like the Newport Bay Nature Preserve, tidelands, any expansion of John Wayne Airport beyond the existing Settlement Agreement, and the Santa Ana Heights Redevelopment Agency.
- Protecting the Upper and Lower Newport Bay from sedimentation and pollution and our ocean beaches from bacterial pollution.
- Ensuring the timely completion of resident-supported projects that improve our streets, water and wastewater systems, and parks and medians.
- Working to renew Measure M, the half-cent sales tax for transportation and transit in Orange County, in a manner that best reflects the transportation needs of our residents and businesses.
- Ensuring the timely design and construction of large capital projects, like the Back Bay Science Center, the Santa Ana Heights Fire Station, and two new community centers – one in the Newport Coast and one in Santa Ana Heights.

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).

	2003-04 Actual*	2004-05 Actual**	2005-06 Estimated**	2006-07 Proposed**
Salaries and Benefits	\$ 146,219	\$ 239,265	\$ 273,534	\$ 256,192
Maintenance and Operations	\$ 922,002	\$ 1,390,787	\$ 1,773,635	\$ 1,004,668
Capital Outlay	\$ -	\$ 8,869	\$ 7,000	\$ 7,000
Total	\$ 1,068,221	\$ 1,638,921	\$ 2,054,169	\$ 1,267,860

* 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.

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 is celebrating its centennial in 2006! To the City Clerk's office, this marks 100 years of maintaining the official records of the City. Such records include the minutes of all City Council meetings, all adopted ordinances and resolutions, a variety of other documents approved by the City Council, and campaign filings and election materials. Many of these documents have been scanned, making retrieval quick and easy, and permanent offsite storage possible in the event that disaster recovery is ever needed.

Service Indicators	2003-2004	2004-2005	2005-2006	2006-2007
	Actual	Actual	Estimated	Projected
Council Meetings, Regular	23	23	23	23
Council Meetings, Special or Adjourned	21	23	30	25
Resolutions adopted	80	78	80	80
Ordinances adopted	25	27	30	30
Municipal elections	0	1	0	1
Registered voters	55,997	60,529	60,373	60,000
Municipal Code Supplement pages distributed	45,000	52,479	55,000	55,000
Claims/Summons and Complaints processed	180	169	170	180
Contracts/Agreements processed	120	113	120	120
Notices of Completion/Release Bonds	30	17	15	15
Documents processed to Orange County Recorder	40	17	20	20
Pages scanned into Document Imaging System	35,000	80,000	50,000	50,000
Passports processed	800	655	800	800

PERFORMANCE REVIEW

ALLOCATION PLAN

	2003-04	2004-05	2005-06	2006-07
	Actual	Actual	Estimated	Proposed
Salaries and Benefits	\$ 261,437	\$ 288,860	\$ 317,779	\$ 338,205
Maintenance and Operations	\$ 33,744	\$ 34,089	\$ 54,909	\$ 54,804
Capital Outlay		\$ 2,901	\$ -	\$ -
Total	\$ 295,181	\$ 325,850	\$ 372,688	\$ 393,009
Elections		\$ 49,606	\$ -	\$ 100,000
Grand Total	\$ 295,181	\$ 375,456	\$ 372,688	\$ 493,009

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 prepare and 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's management team (department directors) and of individuals and groups throughout the City. Other topics more regional in nature are also on the City Manager's plate. The City Manager's Office monitors the political and economic environment outside the city to ensure that outside forces do not compromise Newport Beach's quality of life, public safety system, or its finances. In 2006-07, these external issues may include:

- Actions at the State level that might impact City finances or restrict cities' ability to protect rights-of-way.
- Changes in the local, state, and national economy that may also change the City's revenue base.
- Positioning the City to effectively compete for State grant funding for new projects, especially those that address costly water quality obligations.

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

Code & Water Quality Enforcement Division

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

Public Information Division

The Public Information Division will focus on completing and implementing long-awaited new cable franchise agreements in 2006-07 and implementing the public, governmental, and educational ("PEG") programming that may result from the agreements.

Harbor Resources Division

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

	2003-04* Actual	2004-05 Actual	2005-06 Estimated	2006-07 Proposed
Salaries and Benefits	\$ 2,004,133	\$ 2,066,053	\$ 2,284,919	\$ 2,523,282
Maintenance and Operations	\$ 1,664,168	\$ 663,611	\$ 1,958,294	\$ 1,229,721
Capital Outlay	\$ 30,156	\$ 24,860	\$ 43,724	\$ 36,000
Total	\$ 3,698,457	\$ 2,754,524	\$ 4,286,937	\$ 3,789,003

* Code & Water Quality Enforcement Division added.

HUMAN RESOURCES

MISSION
STATEMENT

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 2005-06

There were several changes in the Human Resources Department this past year. One of the biggest changes was a new Human Resources Director, Barbara Ramsey, who joined our team in July. Barbara replaced Diana Axley, who led our team for the past two years and now enjoys retirement.



We also welcomed Sara Leal who joined our team in April as a Human Resources Specialist.

This year citywide recruitments in all departments increased significantly. To ensure that we hire the best and most qualified candidates, we restructured our recruitment process to give it more reliability and validity. As part of the process, we have been developing more job-related written and performance tests and having more involvement in the oral board process to ensure objective evaluation and consistency among interviews. The changes have brought a new level of objectivity to our recruitment procedures and will assist us in defending our hiring decisions. In addition, these changes provide us the job-related tools needed to hire the best candidate for the position based on needs and requirements of each department.

Because of the increased recruitments, the manual application process became more time consuming and inefficient. To better serve our customers and work more efficiently, we implemented the NEOGOV software program which provides online recruitment, selection, applicant tracking, reporting, analysis and HR automation features. NEOGOV is dedicated to helping their clients maximize efficiency and experience measurable results. This is a new program for us; however, some agencies using the system have experienced a 45% savings in staff effort and a 25% reduction in recruitment time. We look forward to completely implementing and using this program to the full extent by the beginning of July 2006.

We continue to focus on improving our processes to provide excellent employment and benefit information to City Departments and the public. To provide better service and ensure consistency in administering our programs new procedures were developed for catastrophic leave, bilingual pay, and reclassification studies.

This year we implemented changes in benefits and salaries for eleven different bargaining units. This involved working closely with Administrative Services staff to ensure that each detail in each Memorandum of Understanding was accurately implemented. It also involved developing new policies and procedures and implementing new benefits such as Bilingual Pay and Police Holiday Pay. As part of the implementation, we revised the Employee Compensation & Benefit Summary and assisted in revising salary schedules and flex leave tables.



This year was the culmination of over several years of hard work for a citywide committee of employees whose goal was to develop a new Employee Performance Evaluation Program. The Human Resources Manager chaired the committee, which consisted of employees from various departments. Together they developed a new performance evaluation form and guidebook so that all employees in the city will be evaluated consistently, using the same forms and guidebook. It is our goal for this system to be used online, which we will implement next fiscal year. The Directors in HR, Fire, Recreation & Senior Services, and the HR Manager developed a training program and trained over 175 managers and supervisors “in-house” on the new system in May and June 2006. This is an excellent example of how employees and departments work together to achieve a common goal and improve the way we do things for all City employees.

AB 1825 requires that by January 1, 2006, employers are to provide two hours of interactive sexual harassment training to all supervisory employees. We provided this training and updated our Unlawful Discrimination and Harassment Policy to comply with recent court rulings. As required by this law, we will schedule training for all new supervisors and every two years for all supervisory employees.



In addition, we coordinated Family Medical Leave (FMLA) training for all supervisors. To ensure all employees are trained in this mandated benefit, we arranged to video tape the sessions and now have a two-CD set of FMLA training for future use.

The Human Resources Department, working closely with Administrative Services, implemented the new Medical Expense Reimbursement Program (MERP), which replaces the old Retiree Health Benefits Program. This was a very time consuming but rewarding project that benefits the City and all regular full-time employees, as well as retirees. The second phase of implementation was to bring all the existing retirees into a modified plan similar to the employee plan and work with an outside agency to administer the retiree health program for over 360 retirees. This was a very complicated and detailed project that was accomplished successfully with the help of several employees in various city departments.

One of our major goals in 2005-2006 was to develop an RFP for Workers’ Compensation Claims Administration Services. We were able to accomplish this goal with much success and through the process elected to unbundle the services of the current vendor and use additional vendors for managed care services. We felt that unbundling these services will provide better services for the City while gaining additional cost savings.

The City’s Government Agency Employer Pull Notice (EPN) Program underwent an overhaul. As a full service local government agency with a mobile fleet of 500 plus vehicles, the City’s participation in the

HUMAN RESOURCES (CONTINUED)

EPN Program is important in providing confirmation of employees valid operating licenses, as well as, an additional loss control measure, which is vital in providing insurance for our fleet. The City received notice that the DMV was changing their procedures and with the assistance of the departments, we were able to implement the changes to ensure that we remain active in the program.

Human Resources Objectives FY 2006-2007

- Implementation and integration of Employee Access Center, a web-based module of FinancePlus
- Develop, implement and integrate an online Open Enrollment using the Employee Access Center
- Implement and integrate online employee benefit tools
- Revise and improve the City's safety and accident program and procedures
- Develop supervisory training to include injury/accident reporting
- Revise Employee Policy Manual
- Implement on-line performance evaluations



DEPARTMENT ORGANIZATION

Human Resources Administration/Operations
Staffing: 6.25 \$1,146,594
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 Employee & Retirement Counseling Grievances & Disciplines Records Management

Risk Management
Staffing: 3.5 \$504,026
General Liability Workers' Compensation Claims Administration Disability Benefits Employee Health Fair Employee Assistance Program Employee Fitness Center Administration Pre-employment Physical Exams Benefits Administration DOT Drug Program FMLA/HIPPA Compliance Safety Program DMV Employee Pull Program Retiree Medical Insurance New Employee Orientation Disability Retirements Contract Review & Insurance Compliance Insurance Procurement Special Event Review Loss Control Advisory Services

Service Indicators	2004-2005	2005-2006	2006-2007
	Estimated	Projected	Estimated
Recruitments	67	88	110
Firefighter Pre-Employment Process	15	25	15
Tuition Reimbursements	153	165	180
Unemployment Claims	16	20	21
Personnel Action Forms	1,256	1,488	1,500
Classification/Compensation Studies	38	40	44
Surveys for other agencies	168	180	189
PERS/PARS Issues	98	105	110
Fingerprints entered	368	384	400
Trainings Conducted	13	27	25
Contract Negotiations meetings	40	20	45
Employee Relations Matters	26	30	30
Benefit Forms Processed Actives & Retirees	728	926	972
General Liability Claims	77	45	47
Workers' Compensation & Disability Claims	126	133	130
Industrial Disability Retirements Processed	3	3	3
New Employee Orientations Conducted	35	69	72
Part-time hires	51	140	175

Budget Highlights FY 2006-2007

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

	2003-04 Actual	2004-05 Actual	2005-06 Estimated	2006-07 Proposed
Salaries and Benefits	\$ 823,561	\$ 856,861	\$ 926,476	\$ 1,078,960
Maintenance and Operations	\$ 332,110	\$ 421,983	\$ 437,660	\$ 563,660
Capital Outlay	\$ 9,333	\$ 9,364	\$ 8,000	\$ 8,000
Total	\$ 1,165,004	\$ 1,288,208	\$ 1,372,136	\$ 1,650,620

CITY ATTORNEY

MISSION
STATEMENT

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

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.....
Department Functions

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

- Render legal opinions and advice to City Council and City staff.
- Review and/or prepare proposed contracts, bond financing papers, and insurance requirements.
- Monitor, control, defend against liability claims and lawsuits.
- 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.

DEPARTMENT
ORGANIZATION

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 legal counsel to represent and appear for the City in all legal actions, or proceedings including defense of tort liability claims and enforcement of City codes, rules and regulations.
- To be proactive to limit City liability and to present reasonable and cost effective solutions to legal problems without compromising the interests of the City, its officers, or employees.

Service Indicators

	2003-04 Actual	2004-05 Actual	2005-06 Estimated	2006-07 Projected
Requests for Opinions/Advice (In-House)	5,250	5,500	5,500	6,000
Council, Board, and Commission Meetings	100	100	100	100
Preparation/Review of Contracts, MOUs, Agreements	300	300	400	500
Litigation Caseload	150	50	50	25
Code Enforcement Caseload	120	80	80	70
Development/review of Resolutions and Ordinances	75	85	85	100
Court and Hearing Appearances	100	80	80	40
Public Assistance (phone or in person, by attorney or support staff)	7,200	7,200	7,200	7,000
Legislative Advocacies	20	20	20	20
Public Records Act Requests	29	40	60	70

	2003-04 Actual	2004-05 Actual	2005-06 Estimated	2006-07 Proposed
Salaries and Benefits	\$ 690,097	\$ 649,068	\$ 779,040	\$ 849,824
Maintenance and Operations	\$ 374,171	\$ 312,857	\$ 212,001	\$ 197,656
Capital Outlay	\$ 7,320	\$ 8,548	\$ 3,000	\$ 4,000
Total	\$ 1,071,588	\$ 970,473	\$ 994,041	\$ 1,051,480

ADMINISTRATIVE SERVICES

MISSION
STATEMENT

*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 \$1,007,730
General Accounting Payroll Property Control & Fixed Asset Tracking Audit Coordination Debt Administration Financial Reporting

Fiscal Services Staffing: 18 plus 2.48 FTE \$1,857,985
Cash Management Purchasing Warehousing & Inventory Control Printing & Reproduction Postal Services Remittance Processing Accounts Payable

Mgt. Information Services Staffing: 17 plus .5 FTE \$2,700,056
Computer Applications Support Telecommunications Geographic Information System PC Technical Support Network Management Database Management

Resource Management Staffing: 3 \$501,304
Budget Management Investment Management Internal Control *does not include Ackerman Scholarship fund

Revenue Staffing: 12 plus 1.60 FTE \$1,364,426
Municipal Billing Payroll Intergovernmental Transfers Licenses Regulator Permits Revenue Development Receivables & Collections

TOTAL \$7,431,503
58 Positions, plus 5.83 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 now the largest in the Department composed of: 1) Central Cashiering; 2) Accounts Payable; 3) Print Shop Multigraphics; 4) Mail Room and Remittance Processing; 5) Purchasing and Central Warehouse operations; and 6) Parking Meter Management.



Fiscal Services is a diverse Division of nineteen 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 folding/insertion of correspondence material, and remittance processing of all City billings. With the additional responsibilities associated with vendor payables, Fiscal Services is now also coordinating the tax reporting of compensation and benefits on behalf of vendors. New to the Division this year is the Parking Meter Collection Crew. This staff of three was previously assigned to Public Works and is responsible for the maintenance of the City's parking meters, change machines, and meter coin collection activities. Their coin collection duties result in \$1.6 million of revenue each year.

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

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 second 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

ADMINISTRATIVE SERVICES (CONTINUED)

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



The Future

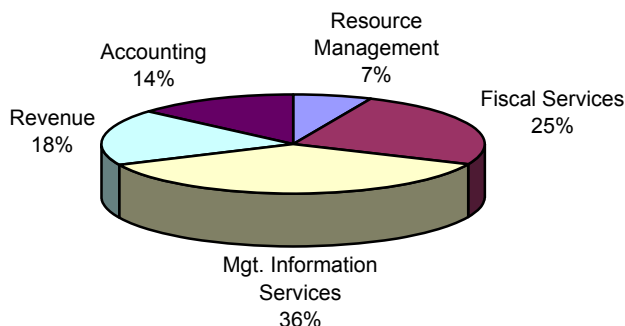
The Administrative Services Department continues to take the lead in providing automation solutions and communications services to all City Departments, the City Council, and members of the public.

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. Voice and data technology solutions will continue to be implemented between all City between all remote sites in order to provide faster, more efficient, cost effective connectivity.

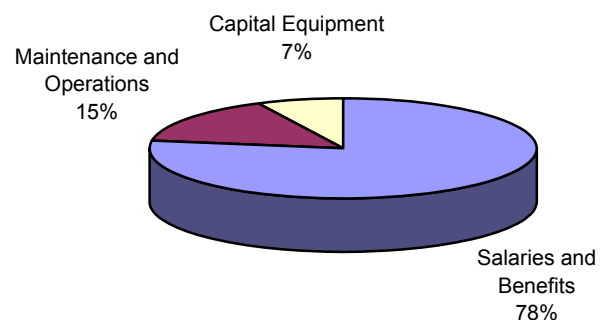
Applications including: core accounting, billing, and HRM modules; GIS; document imaging and management; and Interactive Voice Response (IVR) systems will continue to be developed and expanded. Updated Aerial photography of the entire City and surrounding areas will be incorporated into the GIS system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

The 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	2003-04 Estimated	2004-05 Estimated	2005-06 Estimated	2006-07 Projected
Budget Administered	\$167,229,174	\$171,171,873	\$193,672,199	\$205,943,148
Warrants Issued	20,290	17,613	20,000	18,188
Value of Payments Processed	\$100,232,519	\$118,250,333*	\$117,981,345	\$123,050,000
Checks Deposited	177,879	213,170	182,557****	180,500
Value of Currency Deposited	\$2,794,560	\$2,800,000	\$2,912,678	\$3,100,000
Annual Payroll & Benefits	\$83,249,130	\$88,156,993	\$95,565,418	\$104,391,495
Paychecks Processed	26,200	27,275	27,150	27,400
Purchase Orders	686	669	636****	650
Images Printed	4,380,336	3,961,101**	4,443,911	4,582,866
Printing & Binding Jobs	4,665	4,333**	4,854	4,905
Mail Room Volume	223,000	208,000**	205,000	215,000
Municipal Statements	200,000	205,000	205,000	205,000
Accounts Receivable Billings	31,000	10,000***	10,000	10,000
New Business Licenses	4,000	4,000	6,000	4,800
Business License Renewals	13,000	20,000	22,000	13,000
Dog Licenses Issued	3,000	3,200	3,600	3,600
Marine Charter Permits	1,100	1,500	200****	200
Parking Citations Processed	88,000	72,000	75,000	75,000
Administrative Citations Processed	1,500	2,500	5,000	5,000
Ajudications	4,700	3,100	3,200	3,200
Business Tax Revenue	\$2,830,127	\$2,500,000	\$3,500,000	\$3,200,000
Business Tax Notices	7,700	9,560	16,000	13,000
Transient Tax Revenue	\$8,045,132	\$8,500,000	\$9,100,000	\$9,700,000
Transient Tax Notices	3,100	3,100	3,100	3,100
Film Permits	Not available	Not available	Not available	140
City Owned Telephone Units	825	835	865	835
Service & Repair Calls	1,890	1,944	1,953	1,911
Average Monthly Calls	75,000	79,135	81,358	82,967

* 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.

	2003-04 Actual	2004-05* Actual	2005-06 Estimated	2006-07 Proposed
Salaries and Benefits	\$ 4,233,973	\$ 4,391,990	\$ 5,079,583	\$ 5,766,879
Maintenance and Operations	\$ 975,446	\$ 1,057,513	\$ 1,026,538	\$ 1,118,903
Capital Equipment	\$ 69,527	\$ 205,986	\$ 377,149	\$ 545,719
Total	\$ 5,278,946	\$ 5,655,489	\$ 6,483,270	\$ 7,431,501

* 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.



A New and Unique Look For The Department's Marked Patrol Units With Enhanced Graphics For Improved Visibility

Community Outreach remains a fundamental objective of the Department's commitment to providing training in Crime Prevention, Crime Awareness, Identity Theft and Personal Safety in the Community.

Capital Projects will occupy the attention of a number of our staff during the coming year as we complete the upgrade of certain areas of the 32-year-old Police Facility and also focus on its capability to sustain operations in an emergency.

Recruitment continues to be a high priority for our Organization as well as for other agencies throughout the profession. This issue will remain as one of our top priorities as we compete for only qualified candidates.



Officer Jeff Brouwer Representing the Department in a Recruiting Booth

Potential Annexation of West Santa Ana Heights and the related planning required to provide police services to a new segment of an expanded Community is a goal for 2006.

Technology continues to be an area that requires regular review and evaluation of its viability, as well as ensuring its integration with present Department systems that support our commitment of service to the Community. We will also continue the Department's leadership role in the implementation of the Countywide Integrated Law and Justice System Strategic Plan.

Police Vehicle Markings are planned to change this year with a unique, updated look for the Department's fleet, improving our visibility in the Community and serving as a visual deterrent for potential offenders.

	2003-04 Actual	2004-05 Actual	2005-06 Estimated	2006-07 Proposed
Salaries and Benefits	\$ 27,505,636	\$ 28,913,512	\$ 30,204,894	\$ 32,785,183
Maintenance and Operations	\$ 4,713,980	\$ 5,035,792	\$ 5,493,473	\$ 6,311,151
Capital Outlay	\$ 228,819	\$ 543,361	\$ 885,737	\$ 533,188
Total	<u>\$ 32,448,435</u>	<u>\$ 34,492,665</u>	<u>\$ 36,584,104</u>	<u>\$ 39,629,522</u>
Sworn Personnel	148	148	148	148
Non-Sworn Personnel	89	89	90	91
Total Personnel	<u>237</u>	<u>237</u>	<u>238</u>	<u>239</u>

POLICE DEPARTMENT (CONTINUED)

DEPARTMENT ORGANIZATION

<p>Chief of Police Staffing: 10, plus .49 FTE \$1,812,810</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 \$4,581,515</p>
<p>Traffic Services Accident Investigations Motors Parking Control Crossing Guard Traffic Education Animal Control Special Events Planning</p>

<p>Fleet Maintenance Staffing: 2 \$1,577,975</p>
<p>Parts Inventory Automotive Service Equipment Replacement Collision Repair Vehicle Maintenance</p>

<p>Patrol Staffing: 96, plus 4.29 FTE \$14,795,930</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>

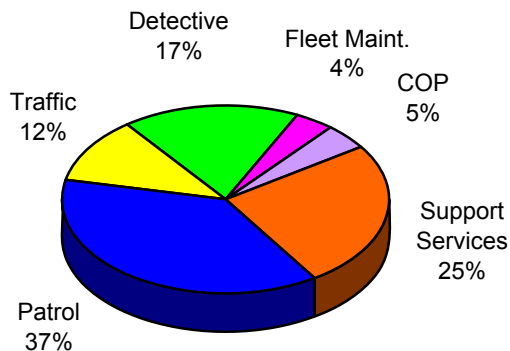
<p>Support Services Staffing: 55, plus 6.84 FTE \$10,005,805</p>
<p>Alarms Officer Communications Video Unit Property Unit Polygraph Unit Fiscal Services Records Section Training Section Range/Armory Computer Systems Planning/Research Facility Maintenance Electronic Equipment Repair</p>

<p>Detectives Staffing: 44, plus .19 FTE \$6,855,487</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>

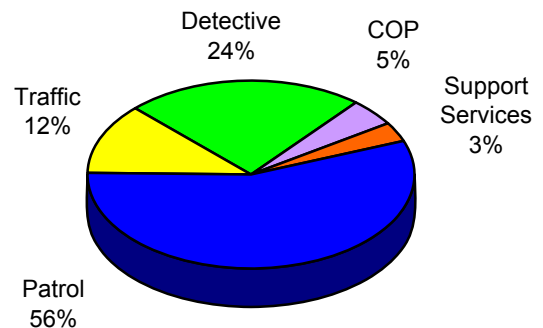
(Figures do not include Asset Seizure or other grant funds)

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 82.7% of the Police Department's total budget, with the remainder devoted to training, technology, office equipment, supplies, and other operational costs.



FY 07 Budget by Division
(NAFF & Grant Funds Not Included)



Sworn Officers by Division



Updated Police Department Webpage for Easier Navigation of Available Services Including Employment Opportunities and Megan's Law Access

Service Indicators

	2003-04 Actual	2004-05 Actual	2005-06 Estimated	2006-07 Projected**
Part One Crimes*	3,077	3,028	3,180	3,240
Adult Arrests	3,201	3,079	2,990	2,860
Juvenile Detentions	317	251	259	250
Part Two Crimes/Miscellaneous Reports	10,123	10,079	10,367	10,301
Total Computer Aided Dispatch Entries	82,414	82,945	86,627	88,997
Calls for Service	60,764	58,039	61,418	62,626
Domestic Violence Cases Investigated	199	276	278	300
Number of Cases Assigned for Investigation	4,486	4,343	4,593	4,664
Number of Cases Assigned Per Detective	320	310	328	333
Value of Property Recovered	4,094,053	2,720,795	3,352,383	3,482,760
Field Interviews Conducted	6,293	5,912	5,334	4,769
False Alarms Handled	4,069	Unavailable	3,702	3,446
Animals Impounded	686	550	605	599
Animal Control Citations Issued	1,148	926	948	930
Fatal Traffic Collisions	5	5	6	6
Injury Traffic Collisions	530	542	567	593
Property Damage Collisions	1,027	953	959	937
Vehicle Code Citations/Warnings issued	17,751	17,553	17,063	16,567
Other Citations Issued	3,858	3,669	3,718	3,623
Parking Citations Issued	71,076	72,665	70,505	70,013

* 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 2006/2007 Fiscal Year are derived from mathematical formulas based on historical data and are not indicative of recent downward trends.

FIRE DEPARTMENT

MISSION STATEMENT

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

The mission statement above provides the framework for all of the goals and activities of the Newport Beach Fire Department. The Department's 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.

2006-2007 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 2006-2007 will be the 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. In 2006, new modular ambulances went into service which offer more patient treatment room and easily accommodate



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.

Fire Prevention

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

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

FIRE DEPARTMENT (CONTINUED)

The purpose of the inspection is to ascertain and cause to be corrected, any conditions liable to cause a fire. Inspections also determine if the life safety provisions of the building and fire codes are provided for and adequately maintained.

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

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

Plan Review - Prior to issuing any permit for construction, erection, alteration, repair, or demolition, the Fire Prevention Division reviews all plans in conjunction with the Building Department. The review of building plans provides the Fire Department with an opportunity to verify that fire and life safety requirements are being met prior to the completion of the building.

Pre-submittal Review - As a service to our customers, the Fire Prevention Division provides consultation services to architects, developers, contractors and property owners prior to plan submittal. This review provides an overview of fire and life safety regulations which may affect the proposed building and the surrounding area. Our review includes information such as the building's size limitations, occupancy classification, determination of required fire flow, designation of fire lanes, fire access, hydrant placement, fire department connection placement and turning radius.

By providing this service, we have greatly reduced the amount of corrections applicants need to make and, therefore, we have reduced our plan check turn around time to less than two weeks.

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

Special Fire Protection Areas – The Fire Prevention Division provides inspection services to all of the residential properties within the City's wildland interface areas. These areas include Newport Coast, Corona del Mar, Mission Bay Canyon, plus the Eastbluff and Westcliff communities. Two separate standards are in place to assist residents and reduce the effects of a catastrophic wildfire:

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



A second standard for Hazard Reduction has been adopted to address the needs of existing residences, such as those outside of Newport Coast. The Hazard Reduction Standard allows

homeowners and fire prevention specialists to work with existing landscapes to create defensible space between the homes and wild land areas, which enables fire fighters to better protect the threatened properties.

All Special Fire Protection Areas are inspected annually by one of the Division's fire protection specialists to insure compliance. Our staff is also assisted by the firm of Dudek and Associates who provide technical expertise and assure compliance with all State and Federal wildlife regulatory agencies.

Hazardous Materials – As a member of the Orange County Certified Unified Program Agency (CUPA), the Newport Beach Fire Department is responsible for the collection of hazardous materials disclosure information and business emergency planning. This information is collected annually from all businesses within the City of Newport Beach that handle or store more than 55 gallons, 200 cubic feet or 500 pounds of hazardous materials. The information is collected and reviewed by the Fire Prevention Division, then disseminated to fire units in the field for use in fighting fires at these businesses. Approximately 150 businesses participate in the program.

Other aspects of the hazardous materials program, including underground storage, the accidental release program and hazardous waste, are managed by the Orange County Health Department's Environmental Health Division.

This relationship between the City of Newport Beach Fire Department and the Orange County Health Department is designed to provide a high level of service for our business customers, many of whom conduct business in other parts of Orange County. At the same time, it provides a high level of safety for the firefighters and residents of Newport Beach by means of local disclosure reporting.

Disaster Preparedness

Due to the tragic events that followed the 2005 hurricanes that struck the gulf coast states, the City of Newport Beach is reminded of the importance of being trained, informed and prepared for any disaster. The Disaster Preparedness Coordinator is committed to providing education and training to City employees and residents. 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, which is currently being offered twice a year. Our City employees are also receiving preparedness and safety training through the Emergency Response Team (ERT) program.

The next step in preparedness will be the adoption and implementation of the National Incident Management System (NIMS), and the National Response Plan (NRP). Due to the success of California's Standardized Emergency Management System (SEMS) under which the City of Newport Beach operates, the federal government has created NIMS, the nation's first-ever standardized approach to incident management and response. NIMS unifies federal, state, territorial, tribal, and local levels of government into one coordinated effort. This integrated system makes America safer by establishing a uniform set of processes, protocols, and procedures that all emergency responders at every level of government will use to manage response efforts. A component of NIMS is the National Response Plan (NRP), which will be used at all levels of government during an incident of national significance. NIMS training will be conducted for all full time City employees and volunteers.

FIRE DEPARTMENT (CONTINUED)

In addition, the Fire Department will be hiring a Community Preparedness Coordinator to continue our disaster preparedness outreach efforts to our residents. The Coordinator will target community groups and special populations in the City to promote disaster awareness and preparedness.

Training and Education

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



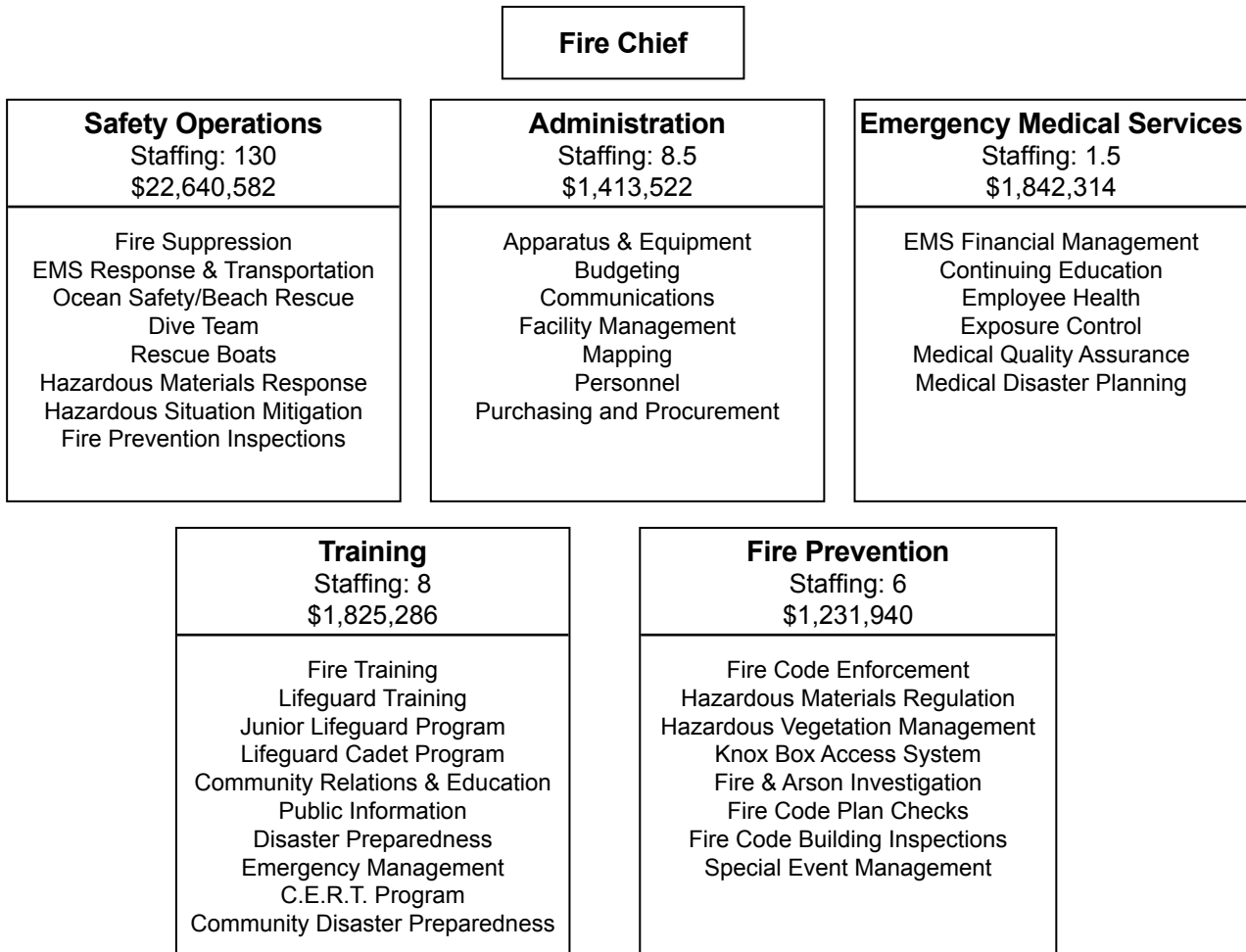
The Fire Department also provides excellent community education. Department members provide safety instruction and training to school age children through the Junior Fire Marshal, the Junior Lifeguard, and Lifeguard Cadet Programs. Lifeguard personnel have continued our "CPR in the Schools, Working Together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



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

ALLOCATION PLAN

	2003-04 Actual	2004-05 Actual	2005-06 Estimated	2006-07 Proposed
Salaries and Benefits	\$ 20,418,031	\$ 20,958,710	\$ 22,168,771	\$ 24,414,299
Maintenance and Operations	\$ 3,407,584	\$ 3,469,093	\$ 3,982,634	\$ 4,335,710
Capital Outlay	\$ 204,331	\$ 173,608	\$ 473,648	\$ 203,635
Total	\$ 24,029,946	\$ 24,601,411	\$ 26,625,053	\$ 28,953,644
General Tax Revenue	\$ 20,752,450	\$ 20,924,636	\$ 23,558,897	\$ 26,787,744
Other Revenue	\$ 3,277,496	\$ 3,676,775	\$ 3,066,156	\$ 2,165,900
Total Revenue	\$ 24,029,946	\$ 24,601,411	\$ 26,625,053	\$ 28,953,644
Non-Sworn Personnel	14	14	15	16
Sworn Personnel	134	134	135	138
Total Full-time Personnel	148	148	150	154
Seasonal - (FTE)	32.60	30.78	30.78	31.77



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	2003-04 Actual	2004-05 Actual	2005-06 Estimated	2006-07 Projected
Fire Responses	423	228	214	400
Medical Responses	5,860	5,568	5,382	5,800
Fire Medics Membership	6,500	5,800	5,840	6,500
Water Rescues	5,827	4,384	2,257	6,000
Lifeguard Medical Aids	5,472	7,348	8,905	7,700
Boats in Distress	95	96	91	100
Preventative Actions	160,809	118,190	70,862	125,000
Fire Alarm Responses	1,195	737	693	1,250
Other Emergency Responses	1129	2,296	2,736	3,000
Public Education Hours	1,000	1,000	1,200	1,200
Fire Inspections	4,500	4,550	6,470	6,600
New Construction Inspections	Not available	Not available	801	900
Beach Attendance	11,203,815	8,309,790	6,758,342	10,000,000

PLANNING DEPARTMENT

MISSION
STATEMENT

*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 and augmented in March, 2006 to carry the project through completion. There is substantial funding for the implementation efforts to follow. Certification of the Local Coastal Program is another major program from the last fiscal year which will carry over into FY 2006-07, with major expenditures only for the consultant assistance which may be required for certification of the Implementation Plan. The Department expects submittal of the Implementation Plan to occur in the first half of this fiscal year, allowing for certification to be completed before the end of the fiscal year.

The Planning Department budget for 2006-07 is essentially the same as 2005-06, with two notable exceptions. The budget reflects the above-noted General Plan implementation efforts, which will be provided by both staff and consultant effort. Also, it provides information within the Department's workload indicators that supports a need for additional full-time professional and clerical support staff necessary to adequately sustain the continuing high volume of activity both in plan check and submittals for discretionary permits (Modifications, Use Permits, Variances, etc.). Facilities and equipment needs are anticipated In addition to the direct staffing costs.



- 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 and implement both the General Plan Update and the Economic Development Strategic Plan.
- Gain certification of the Local Coastal Program, and begin implementation efforts.
- Amend Development Regulations to implement updated General Plan and simplify administration.
- Implement Citywide Directional and Wayfinding Sign Program.
- Implement Citywide Sign Inventory and Amortization Program for non-conforming signs.
- Participate in implementation of various commercial district public improvement efforts.



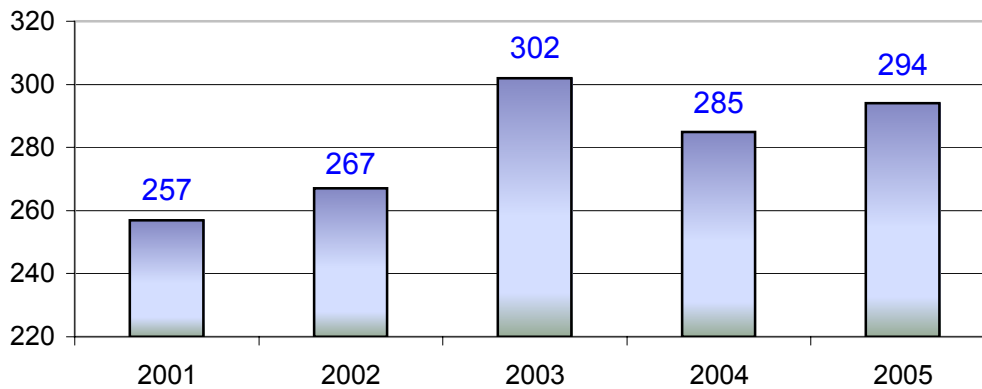
PLANNING DEPARTMENT (CONTINUED)

Zoning Plan Check demands continue to increase, which is illustrated in the service indicator chart below. Discretionary planning permit cases are also increasing, as reflected below. Reduction in some current planning activities are offset by increases in Condominium Conversions and other applications also handled by the Zoning Administrator.

PERFORMANCE
REVIEW

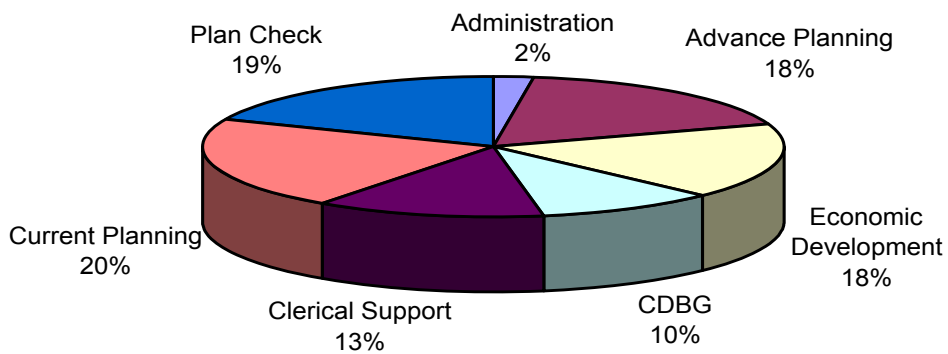
Service Indicators	2003-2004	2004-2005	2005-2006	2006-2007
	Actual	Actual	Estimated	Projected
<i>Application Type</i>				
General Plan Amendments	10	10	7	6
Code Amendments	12	22	17	20
Use Permits	49	44	48	32
Variances	11	5	2	4
Tract Maps	0	6	4	4
Modification Permits	118	95	133	180
Condominium Conversions	12	21	25	40
Lot Line Adjustments	44	9	14	24
Plan Checks	6,517	6,534	6,603	6,673

Planning Activities or Projects



<p>Planning/Administration Staffing: 16 \$1,916,183</p>
<p>Planning Commission Environmental Quality Affairs Committee Advance Planning Current Plans & Projects Plan Checks Environmental Review GIS/Data & Demographics Regional Planning Activities Housing</p>

<p>Economic Development/CDBG Staffing: 3 \$688,745</p>
<p>Economic Development Committee Peninsula Revitalization/PROP Committee Business Improvement Districts Business Retention/Recruitment CDBG</p>



	2003-04 Actual	2004-05 Actual	2005-06 Estimated	2006-07 Proposed
Salaries and Benefits	\$ 1,457,295	\$ 1,601,550	\$ 1,819,578	\$ 1,960,508
Maintenance and Operations	\$ 728,747	\$ 552,449	\$ 1,611,163	\$ 438,017
Capital Outlay	\$ 31,695	\$ 27,632	\$ 48,998	\$ 50,750
CDBG Fund	\$ 149,981	\$ 136,690	\$ 231,008	\$ 155,653
Total	\$ 2,367,718	\$ 2,318,321	\$ 3,710,747	\$ 2,604,928

BUILDING DEPARTMENT

MISSION
STATEMENT

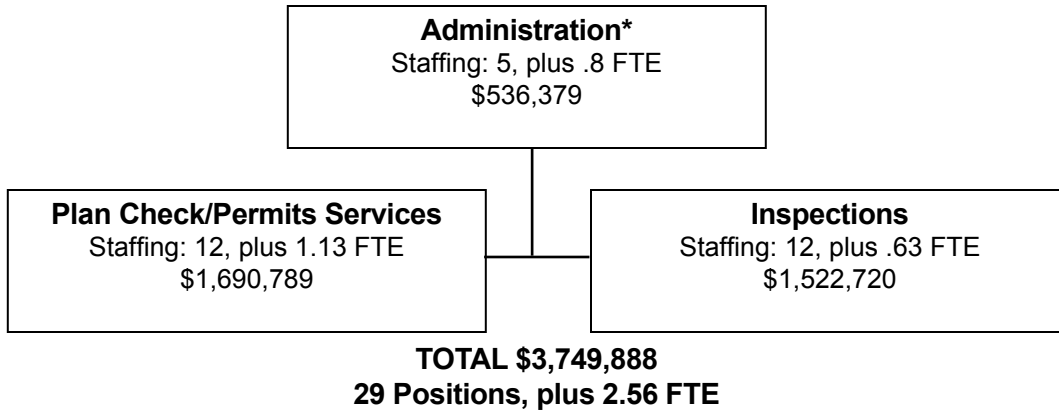
To ensure the quality of life of those who live, work, and visit the City of Newport Beach by promoting safety in the regulation of the construction, use, and occupancy of buildings and by taking a customer oriented approach to finding educated, cost effective solutions

Department Highlights

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

PRIMARY
GOALS

- Maintain a management system that effectively and efficiently utilizes resources to achieve the mission of the organization.
- Continue enhancements to the “Permit Plus” permit tracking and processing system.
- Implement issuing a combination building permit.
- Continue to look for ways to improve service delivery to our customers.
- Facilitate compliance with City-adopted codes and State-mandated standards.
- 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 four 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.
- Facilitate compliance with City-adopted codes and State mandated standards.
- 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.
- Continue to improve plan tracking and storage methodologies to provide access to plans and permits as easy as possible.
- Automate plan check correction lists.
- Continue transition of electrical, mechanical, plumbing, fire alarm and fire sprinkler plan check to the subtrades plans examiner.
- Update our handheld computer system for field inspections to a real time wireless system that will allow immediate inspection results for our customers on the Internet.



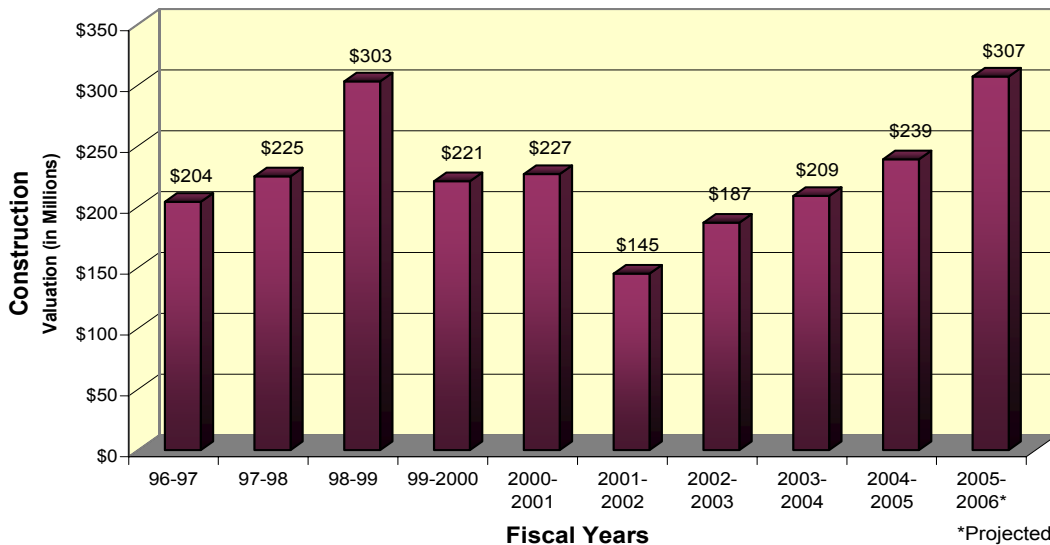
*The Building Department pools clerical support staff for all three divisions under the Administrative Division.

Budget Highlights

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

Projected Construction Activity for Fiscal Year 2005-06

Total Construction Valuation:	\$307,074,000	Number of Plan Submittals:	2,770
Number of Building Permits:	3,570	Total Inspections:	35,100
Total Number of Permits:	10,450		



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 inspections 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 scanned building records

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.



Active project plans

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. The data migration of microfilm copies of permits to alchemy is expected to be completed this year. This means that all permits and geotechnical reports will be viewable via the internet. The next step in the data migration process is to scan the microfilm plans from previous years.

In addition to overseeing the archiving of Building Department records and the microfilm conversion, the Records Specialist is responsible for the tracking and maintenance of plans at all stages of project development. By having one individual responsible for the management of all plans for every department with plan check responsibilities, the Building Department is able to contribute to the other departments while increasing the accountability of the Building Department as it relates to the location of plans.

Plan Check/Permits Services Division processes applications for construction permits and associated drawings and performs plan review to make sure projects comply with code requirements before issuing building permits. 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 design engineers by Building Department staff engineers. The Building Department hired two additional plan check engineers for a total of six engineers in an effort to do a higher percentage of plan review in-house and reduce the number of plan checks done by outside plan check consultants. A subtrades plans examiner position has been added to review electrical, mechanical, plumbing, fire alarm and fire sprinkler drawings. This should provide better customer service because the subtrades plans examiner is available to customers in contrast to field inspectors who were previously reviewing these drawings. The plan check division is proud of its quality and timely processing of all construction documents and permits.



Building Department Counter

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.



On 7/1/2005, we issued a building permit for the Newport Lexus dealership. Construction is progressing rapidly. The Building Inspection Division is providing inspections and assistance in coordination with the aggressive construction schedule.

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

BUILDING DEPARTMENT (CONTINUED)

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. It is our objective to replace our current system with a real time wireless system that will offer many benefits to our customers, including instant inspection results on the Internet.

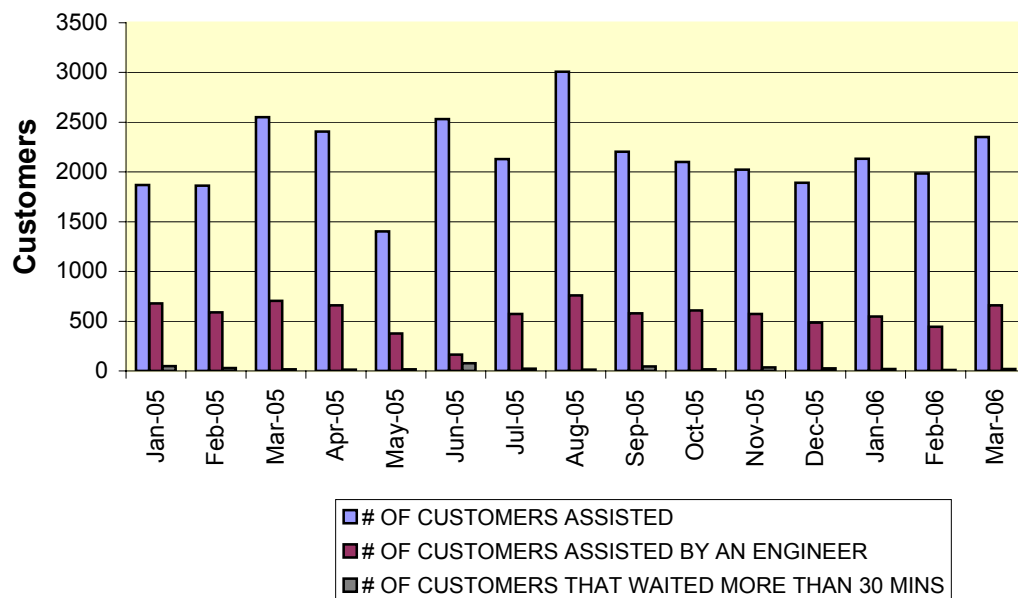
PERFORMANCE
REVIEW

Service Indicators	2003-2004	2004-2005	2005-2006
	Actual	Actual	Estimated**
Plan Submittals	3,306	3,059	3,000
Building Permits Issued	4,117	3,793	3,650
Total Permits Issued	11,628	10,433	10,300
Residential Building Records Permits	1,686	1,572	1,400
Building Code Enforcement	399	259	200
Inspections related to Complaints	1,250	1,052	900
Construction Inspections	47,117	34,604	33,000
Total Inspections	50,452	37,487*	35,500

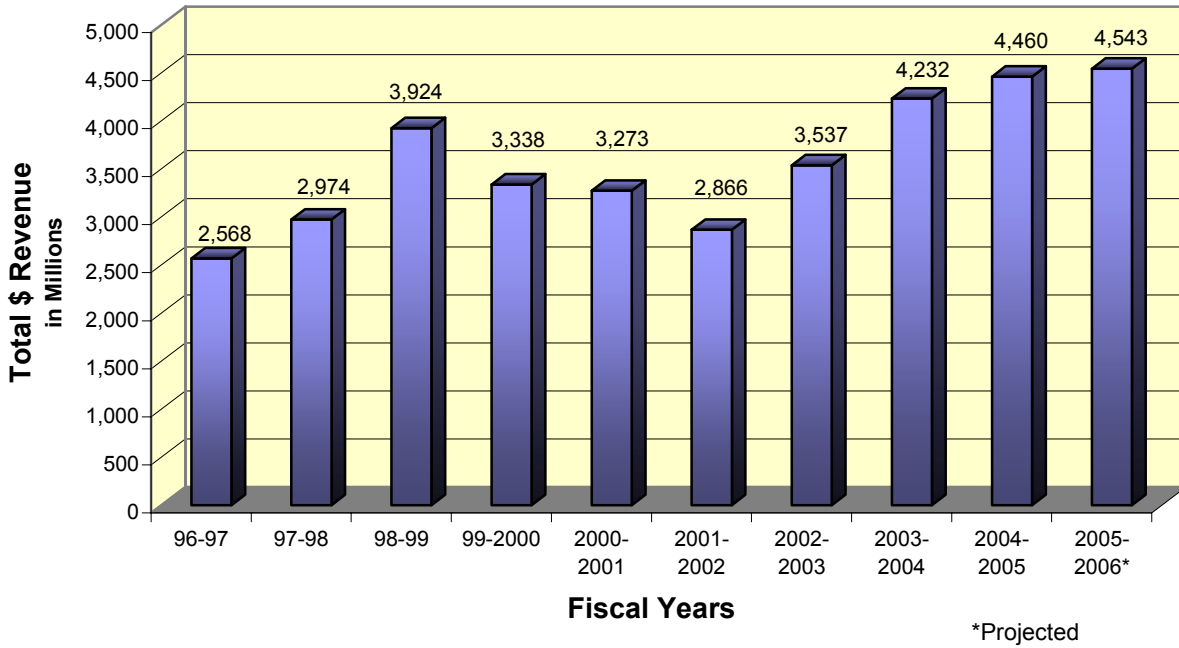
* Inspections done by other departments are no longer included in this report

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

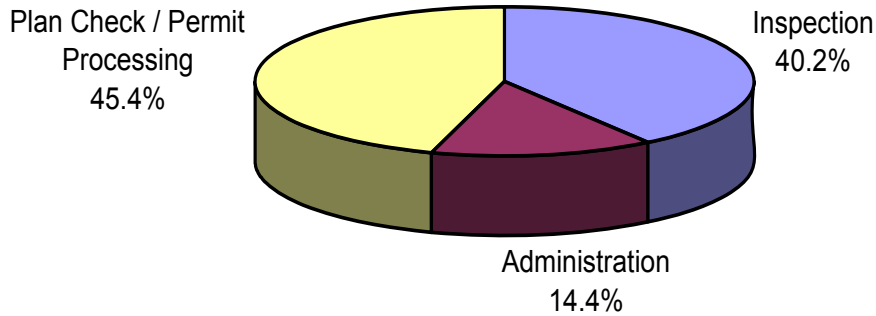
Customer Service Log 2005-2006



Building Department Revenue



Building Department Expenditures by Function



	2003-04 Actual	2004-05 Actual	2005-06 Estimated	2006-07 Proposed
Salaries and Benefits	\$ 2,385,288	\$ 2,562,909	\$ 3,003,161	\$ 3,413,891
Maintenance and Operations	\$ 638,336	\$ 699,369	\$ 280,591	\$ 309,497
Capital Outlay	\$ 42,048	\$ 30,340	\$ 26,500	\$ 26,500
Total	\$ 3,065,672	\$ 3,292,618	\$ 3,310,252	\$ 3,749,888

GENERAL SERVICES

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

Annual Department Goals

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

Department Overview

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

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

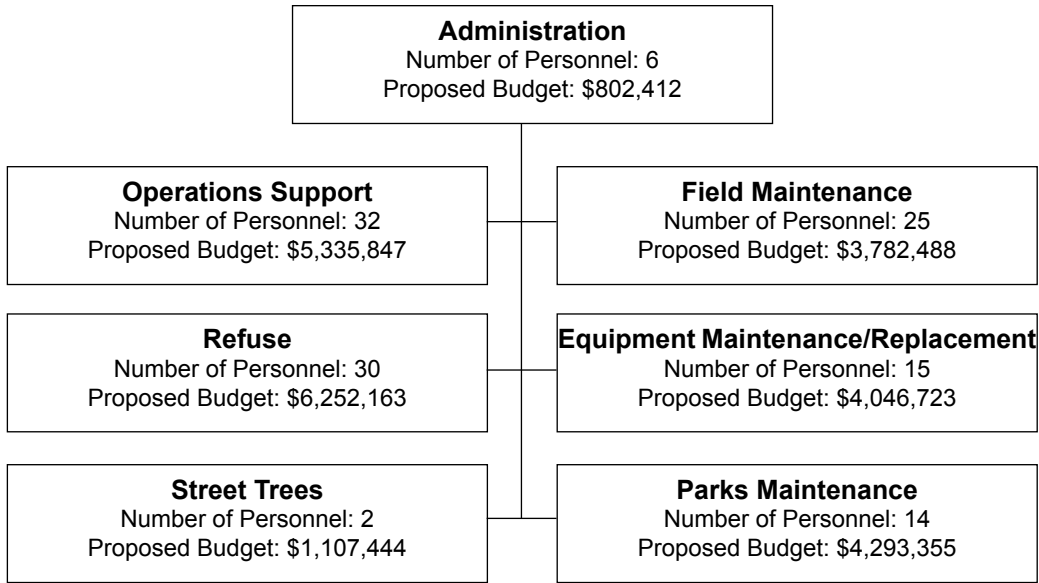


In Fiscal Year 2006-07, the Department's main objectives will focus on maintaining a high level of service to the public and other City departments. In addition to these objectives, each division within the department has identified key challenges and emerging projects.

Resource Distribution

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

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



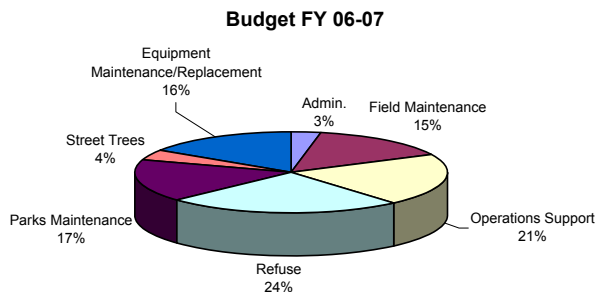
Total \$25,620,431

125 positions

Budget Highlights

Fiscal Year 2005-06 proved to be as challenging as expected, as the department assumed additional responsibilities and staff worked to take a proactive role in maintaining the City's streets, parks, and facilities.

The General Services Department faces several challenges and significant work plan items in the new fiscal year. The Department budget for fiscal year 2006-07 includes a staffing level of 125 full-time positions. The budget also includes minor increases to maintenance and operational budgets to account for increased costs and expanded responsibilities, including: contract rate increases, increased materials and resources costs, weed abatement adjacent to drainage culverts in Newport Coast, contract landscape services for native habitat in Morning Canyon and medians and roadsides in Newport Coast, contract tree maintenance in Newport Coast, and expansion of the inlet guard program along newly relinquished sections of Coast Highway.



GENERAL SERVICES (CONTINUED)

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



Key Challenges

In Fiscal Year 2006-07, the Administration Division will take on several new projects and assignments.

With the current contract for refuse collection services in Newport Coast expiring in January 2007, the division will examine options for the continued refuse collection services in that area. In addition, the Division will begin to develop new recycling programs and initiatives to meet statewide diversion requirements and increase public knowledge of environmental programs. Administrative staff will also start work on identifying grants that will allow General Services to develop new improvement projects and services for City parks and beaches. Other support projects for the division include revising department human resources functions for employee recruitments and performance evaluations.



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

In Fiscal Year 2006-07, the Operations Support Division will begin a pilot management plan for drainage culverts in Newport Coast. Staff will work to survey culvert locations and then develop a maintenance plan and schedule for hillside brush and weed abatement adjacent to these drainage structures, many in locations with limited access. Additionally, the Division will purchase and install inlet guards on newly acquired sections of Coast Highway. The installation of these guards will continue to keep debris from entering the storm drain system and will help the city to maintain compliance with state and local water quality requirements.

One major challenge that the Department will face in FY 06-07 is the design and installation of a Compressed Natural Gas (CNG) fueling station at the Corporation Yard. Equipment Maintenance Division staff will continue to work with the South Coast Air Quality Management District to identify grant funds and potential firms that design CNG fueling stations. Staff will also develop training programs and review vehicle replacement schedules to account for adding CNG vehicles to the City's rolling stock

In the Parks/Trees Division, staff will assume maintenance efforts at several new locations. The Division will increase tree pruning efforts at Newport Coast, take over maintenance of native habitat at

Morning Canyon, and assume management of newly acquired medians and roadsides along Newport Coast.

The Refuse Division will also take on a significant work plan challenge during FY 06-07. The Division will work to develop a pilot automated refuse collection program. In analyzing the City, staff has identified areas that would benefit from automated refuse collection. In these areas, an automated system could help to streamline the collection process and significantly reduce staff time spent on collection routes.



PERFORMANCE REVIEW

Service Level Indicators	2003-04	2004-05	2005-06	2006-07
	Actual	Actual	Estimated	Projected
Public Restrooms Serviced	56	56	56	56
City Restrooms Serviced	96	96	96	96
City Buildings Serviced	71	72	71	72
Sidewalk Repair (square feet)	50,000	50,000	55,000	55,000
Street Patching (tons of mix)	5,000	4,500	4,600	4,600
Curb & Gutter Replacement	3,000	3,000	3,200	3,200
Street Sweepings (miles)	55,000	56,648	54,000	54,500
Beach Cleaning (tons of refuse)	4,000	3,500	3,000	3,500
Regulatory Signs Posted	3,000	3,500	3,000	3,000
Street and Pavement Marking (feet)	200,000	175,000	980,000	1,000,000
Graffiti Incidents	2,525	2,600	2,300	2,200
Refuse (number of homes)	30,600	30,621	36,630	36,630
Refuse Collected (tons)	45,594	45,626	45,626	45,626
Number of Parks Maintained	48	48	54	55
Number of Trees Trimmed*	14,890	14,550	14,890	15,550
Number of Vehicles Serviced	4,100	4,100	3,563	3,600

* Tree Trimming projections include City staff and contractual efforts. 06/07 Projected includes supplemental budget request for Newport Coast.

ALLOCATION PLAN

	2003-04	2004-05	2005-06	2006-07
	Actual	Actual	Estimated	Proposed
Salaries and Benefits	\$ 7,821,114	\$ 8,155,132	\$ 9,002,787	\$ 9,624,903
Maintenance and Operations	\$ 8,902,394	\$ 10,120,550	\$ 10,597,072	\$ 11,916,705
Capital Outlay	\$ 17,637	\$ 39,835	\$ 31,250	\$ 32,100
Internal Service Funds	\$ 3,687,090	\$ 3,565,439	\$ 5,071,341	\$ 4,046,723
Total (1)	\$ 20,428,235	\$ 21,880,956	\$ 24,702,450	\$ 25,620,431
Personnel	124	124	124	125

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

LIBRARY SERVICES

MISSION STATEMENT

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.

The Newport Beach Public Library was rated as the top California public library in its population category in the 2005 HAPLR report. The Library serves over 870,000 customers with its informational resources. Over 1.5 million items are checked out of the Library system each year and electronic resources are available 24/7. A City Council appointed Board of Library Trustees plays a critical role in the Library's service provision. The Arts and Cultural Services Division of the Library and the City Arts Commission provide a variety of arts programs and events for the community.

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.

DEPARTMENT ORGANIZATION

<p>Library Services Staffing: 40 FT; 25.7 FTE \$5,706,519</p>	<p>Arts & Cultural Services Staffing: 1 FT \$177,502</p>
<p>Information & Reference Services Youth Services Central Library and Branches Adult & Youth Programming Literacy Services Support for Board of Library Trustees Friends of the Library Newport Beach Public Library Foundation Literacy Advisory Council * includes Ackerman Fund</p>	<p>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>



Budget Highlights

On Thursday, April 20, 2006 the Mariners school students joined City and School District officials to cut the ribbon and celebrate the opening of the Donna and John Crean Mariners Joint-Use Library.

The Library has expanded its services to include new formats audio books on iPod shuffles. The traditional Library catalog has also been updated with the introduction of Aquabrowser which provides quick access to related subjects, authors and titles. The Library Web page was given a new look with the addition of a Press Room, a new children's site (www.newportkids.org) and a teen site (www.nbppteens.org).

The Library expanded public training to include Tuesdays @ 2, small class training sessions on specific internet topics such as "E-mail Basics," "Advanced Searching," and "How to Buy and Sell on EBay."

The Library employed the services of a Mystery Shopper at the Central Library to evaluate customer service. The staff has used the feedback to continuously improve service throughout the year. In the coming year the program will be expanded to the Branch Libraries.

A new look for the Central Library included new carpeting throughout, new shelving in the Children's Room, refurbished reading areas, and a reorganization of the collection.

In FY 2006-07, Library Services staff will continue to expand resources and maintain the quality services that the community expects. New services will include digital downloads allowing customers to download audio books from the Library's collection to their own electronic devices or computers. The Library will also explore mail delivery of books directly to customers' home or office and "Books at the Beach" a summertime special with a traveling Librarian.

In FY 2006-07 the Library will keep pace with the electronic technology to assist our customers in procuring business, educational and entertainment information. We will continue to provide public computer training workshops for using the Library Catalog and databases.

A Children's Sea and Discovery Garden is planned for the Central Library and a new library card just for kids will be issued to children between the ages of birth to 11 years.

The Library Literacy program provided reading improvement opportunities for 109 adult learners and 14 families.

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

LIBRARY SERVICES (CONTINUED)

Department Services

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

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

Adult Programs

The Library offers a diverse range of adult programs, monthly concerts, computer training workshops, special literary and book-related events, the annual Library Foundation sponsored Distinguished Speakers Lecture Series, and other cultural and intellectual activities. The Library's Time for Tales and Look at the Library 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, Christmas Puppet Show, Willy Wonka Oompa-Loompa Party, Craft Club, children and young adult book clubs, children's storytimes and teen art and poetry programs, computer training for kids, and other events 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. In addition, the Library has added free online access to "Live Homework Help," "Tumblebooks," and other databases geared especially to children and teens.



Arts and Culture

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



Service Indicators	2003-2004	2004-2005	2005-2006	2006-2007
	Actual	Actual	Estimated	Projected
Library Circulation of Materials	1,392,346	1,475,025	1,505,002	1,520,252
Customers Served	870,550	885,852	920,144	938,546
Reference Questions Asked	170,380	168,999	170,052	173,453
Program Attendance	27,606	34,949	35,602	35,000
Remote Online Users*	-	202,551	222,806	227,262
Juried Shows/Art Exhibits Attendance*	-	1,850	1,924	2,000
Cultural Programs Attendance*	-	7,952	8,634	8,500
Cultural Grants Awarded	\$40,000	\$40,000	\$40,000	\$40,000
Sister Cities Grant Awarded*	-	\$11,500	\$16,500	\$11,500

*Statistical information unavailable prior to 2004-2005

	2003-04	2004-05	2005-06	2006-07
	Actual	Actual	Estimated	Proposed
Salaries and Benefits	\$ 3,515,696	\$ 3,510,737	\$ 4,038,101	\$ 4,381,107
Maintenance and Operations	\$ 1,528,527	\$ 1,547,572	\$ 1,678,490	\$ 1,391,814
Capital Outlay	\$ 46,114	\$ 114,147	\$ 241,865	\$ 111,100
Total Expenditures	\$ 5,090,337	\$ 5,172,456	\$ 5,958,456	\$ 5,884,021
General Tax Revenue	\$ 3,942,537	\$ 3,953,017	\$ 5,144,590	\$ 5,434,021
Fees for Services	\$ 44,318	\$ 32,392	\$ 29,200	\$ 30,000
Intergovernmental Reimbursements	\$ 479,207	\$ 354,304	\$ 329,481	\$ 300,000
Other Miscellaneous Revenue	\$ 624,275	\$ 832,743	\$ 455,185	\$ 120,000
Total Revenue	\$ 5,090,337	\$ 5,172,456	\$ 5,958,456	\$ 5,884,021

RECREATION & SENIOR SERVICES

MISSION
STATEMENT

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

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

Department Overview

This past year brought new opportunities and programs, all of which helped to continue to promote a strong service oriented Recreation & Senior Services Department with a mission of enhancing the quality of life for the Newport Beach community.



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 to inform residents about each Division's services and available fee-based activities, is 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 continue to see a steady increase in online customers. This past year the Department won the California Parks & Recreation Society award for Special Publications for the Special Summer Brochure. Judged against all other cities under 100,000 population in the state, our publication stood out as the best.

Overall Department Goals for 2006-07

- Kick-off a community wide health and wellness program — Catch the Health Wave in January 2007
- Continue to take the lead role in the planning and preparation for the City's Centennial Celebration
- Participate in and support efforts for the two Community Center projects slated for both the Santa Ana Heights and Newport Coast Communities
- Enhance marketing to increase awareness to the community

PRIMARY
GOALS

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 three full-time field and building maintenance workers, and one full-time department assistant.



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

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 continue the refurbishment of some park sites with new playground equipment and play surfaces. The new playground maintenance/inspector staff will concentrate on making the existing playgrounds look better and last longer.

The Division is also the coordinator of Special Event Permits for the City of Newport Beach and processes over 300 permits per year for events large and small.

Recreation Services Goals:

- Finalize and implement a Marketing and PR Plan for the Department
- Establish a higher standard of maintenance for fields and buildings by better tracking and more frequent inspections
- Raise the quality of customer service in aquatics programs
- 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 is responsible for the operation of the OASIS Senior Center as well as numerous activities that reach out to our senior population. The Division offers a wide variety of activities which include exercise programs, educational classes, art education, health promotion,

RECREATION & SENIOR SERVICES (CONTINUED)

counseling and transportation. The goal of this Division is to provide older adults with activities and services that enrich their lives as well as providing them the ability to live independently.

The Senior Services Division provides a variety of services which enhance the lives of seniors creating positive and successful aging experiences. The Division accomplishes this by providing programs and activities which address the older adults' evolving needs. Staff stays current on programming activities that are most helpful to the senior population by assessing needs and welcoming senior participation in program ideas. The Senior Services Division has been successful at meeting the challenge of the ever-changing needs of older adults and developing activities that are intellectually stimulating and physically active. Creative writing, Foreign Policy Discussion and History of Orange County, Foreign Language are among a few new courses designed to stimulate the intellect.



This coming year the focus of this Division will turn toward the future. In collaboration with Hoag Hospital we will begin a community needs assessment in order to gain information and insight into the projected needs of seniors in our community in the coming years. This information will assist us as we look to begin the process of replacing the senior center with a new facility designed to meet the growing and changing needs of our senior population. In addition, we will focus on establishing a Health and Wellness program that will motivate seniors to take control of their health. Seniors will be able to participate in activities that will educate them on wellness and will provide incentives to exercise. This is an exciting time as the OASIS Center has been able to collaborate with both Hoag



Hospital and UCI Medical Center in offering health information lectures.

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 is fortunate to have a dedicated non-profit group, the Friends of OASIS who supports the efforts at the

Center to offset the costs to provide services at the Center. This past year the Friends provided a \$50,000 donation to the City for the transportation program

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 Community College, University of California Irvine, Hoag Hospital, Braille, Health Insurance Counseling and Advocacy Program, and OCTA.

Senior Services Goals

- Complete a needs assessment survey of seniors in the community
- Develop a master plan for a new Senior Center which will address the current and future needs of older adults
- Take steps towards beginning a capital campaign to raise money to rebuild the Senior Center
- Develop a program for Health and Wellness

Recreation & Senior Services Department Administration

Staffing: 3 FT; 0.50 FTE
\$508,734

Front Office and Public Counter Services
Fiscal Services
Web Site and Online Registration
Parks, Beachs & Recreation Commission Support

Recreation Services Staffing: 12 FT; 17.33 FTE \$3,412,988
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

Senior Services Staffing: 10 FT; 0.13 FTE \$971,878
Recreational Programs Educational Classes Congregate and Home Delivered Meals Transportation Program Outreach Services Family Support Special Events Information and Referral Facility Management/Reservations

Service Indicators

	2003-2004 Actual	2004-2005 Actual	2005-2006 Estimated	2006-2007 Projected
Recreation Services				
Special Event Permits	332	321	320	320
Facility Rentals	1,020	1,128	1,200	1,200
Recreation Program Attendance	314,007	319,546	325,000	330,000
Cosponsored Youth Organizations	185,627	194,749	195,000	195,000
Senior Services				
Programs/Classes	63,000	79,683	80,000	80,000
Human Services	25,000	21,450	24,000	24,000
Transportation Services	12,041	11,936	12,000	12,000

	2003-04 Actual	2004-05 Actual	2005-06 Estimated	2006-07 Proposed
Salaries and Benefits	\$ 1,728,544	\$ 1,978,082	\$ 2,326,949	\$ 2,655,168
Maintenance and Operations	\$ 1,616,908	\$ 1,896,206	\$ 2,184,378	\$ 2,223,432
Capital Outlay	\$ 13,099	\$ 21,245	\$ 17,494	\$ 15,000
Total Expenditures	\$ 3,358,551	\$ 3,895,533	\$ 4,528,821	\$ 4,893,600
General Tax Revenue	\$ 1,562,796	\$ 1,911,588	\$ 2,330,946	\$ 2,572,550
Fees for Services	\$ 1,723,170	\$ 1,910,945	\$ 2,120,875	\$ 2,240,050
Other Miscellaneous Revenue	\$ 72,585	\$ 73,000	\$ 77,000	\$ 81,000
Total Revenue	\$ 3,358,551	\$ 3,895,533	\$ 4,528,821	\$ 4,893,600

PUBLIC WORKS

MISSION
STATEMENT

*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.
- Design, construct and sustain the City's infrastructure in an efficient and innovative manner including replacement, renovation and improvements to roads, bridges, intersections, traffic signals, streetlighting, water and sewer systems, water quality measures, neighborhood traffic calming structures, parks, docks, piers, beach facilities, and buildings.
- 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 planning, design, and construction of the City's roads, intersections, bridges, sidewalks, storm drains, traffic signals, water quality improvements, piers, water and sewer systems, streetlighting, public building facilities, and parks. The Department also protects public property from unpermitted encroachments, ensures the safe construction of private parties working in the public right-of-way, and reviews plans for residential and commercial development. Public Works adds quality and safety to our lives through the use of engineered controls and measures such as traffic signals, signage, and pavement maintenance. The Public Works Department has three divisions: Administration, Engineering Services, and Transportation and Development Services.

Administration provides financial and support management services for the Public Works Department. Areas of responsibility include: budget development and administration, purchasing, Capital Improvement Program preparation and management, contracts management, customer service via email, telephone, or personal contact at the front counter, permit issuance for encroachments and temporary street closures, plan check processing, centralized clerical services, personnel administration, payroll processing, records management, administration of oceanfront encroachment permits and geographical information systems (GIS).

Engineering Services is responsible for preparing and maintaining short and long term master plans for various critical infrastructure systems including water, sewer, storm drain, water quality, pavement management, and building facilities. Employees in this division also implement 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 publications and workshops. Construction Engineering includes inspection services, topographic surveys and maps, construction staking boundary maps, encroachment surveys, and preparation of "As Built" construction drawings. Engineering services also serves as the City's infrastructure engineering resource to the public and other City's departments using engineering expertise to solve problems and improve the quality of life for the community.



Transportation and Development Services is responsible for traffic engineering, transportation planning, subdivision engineering, traffic signal system operations, neighborhood traffic calming programs, utility underground assessment district administration, and permitting for encroachments in the public right-of-way. This division provides support services to many other City 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. This division serves as the traffic engineering resource to the public and other City departments to ensure a safe and efficient transportation system. The division also serves as the development services resource to assist property owners, developers, utilities, other City Departments, and other public agencies and special districts accomplish their goals while protecting the integrity and quality of the public right-of-way for current constituents and future generations.

Department Highlights

One of the key functions of the Public Works Department is the design and construction of the City's major capital projects. In fiscal year 2005-2006, several important projects were completed. Recent improvements include:

- Construction of the Donna and John Crean Mariners Branch Library
- Morning Canyon Stabilization Measures
- West Newport Street Light Improvements
- Newport Heights, Cliffhaven and Seaward Streets Rehabilitation
- East Coast Highway Sidewalk and Wall Installation, Morning Canyon to Cameo Shores
- City Corporate Yard Building W Upgrades
- Mariners and China Cove Pump Station

PUBLIC WORKS (CONTINUED)

- Corona del Mar Beach Improvements
- Fire Station 6 and Police Station Modifications
- Traffic Signal Upgrades (2004-2005)
- Sidewalk, Curb and Gutter Replacement Program (2004-2005)
- Jamboree Road – MacArthur Boulevard Intersection Improvements
- Corona del Mar Area Pavement Rehabilitation
- Water Pipeline Master Plan
- Sewer and Storm Drain Replacement
- Alley Replacement Program (2004-2005)
- 32nd Street Tide Valve Replacement
- 44th Street Tide Valve Replacement
- Begonia Park Playground Improvements
- Irvine Avenue 24" Water Main, University to Bristol
- Irvine Avenue Sidewalk at Santiago

FY 2006-07 Capital Improvement Program

The following projects are just a few of the many projects the department is expected to begin or complete as a function of the Capital Improvement Program during the 2006-2007 fiscal year:

- Newport Coast Community Center
- Fire Station No. 7 Construction (Santa Ana Heights)
- Back Bay Marine Science Center
- Balboa Village Improvements Phase 3
- Jamboree Road Rehabilitation, University to Bristol and Ford Road to San Joaquin Hills Drive
- Newport Boulevard Bioswale
- West Newport Streets and Alleys Rehabilitation
- Sewer Main Improvements, Big Canyon Trunk
- Newport Theater Arts Center Entry
- Fire Station 1 Compliance Modification
- Traffic Signal Improvements (2005-2006)
- Sidewalk, Curb, Gutter Replacement (2005-2006)
- Newport Shores Pavement Rehabilitation
- Balboa Island Bayfront Repair
- Bay Ave Phase 1 Drainage (Bay/Lindo)
- Buck Gully Force Main Replacement
- Flashing Pedestrian Crosswalk on Coast Highway at Orchid Avenue
- Newport Coast Watershed Studies and Improvements

Administration Staffing: 6 FT; plus 0.72 FTE \$770,868
Budget and Contracts Personnel Administration Permit Issuance Records Management Customer Service Geographical Information Systems

Engineering Services Staffing: 17 FT; 1 FTE \$2,416,208
Capital Projects Design Construction Special Projects

Transportation & Development Staffing: 10 FT; 0.85 FTE \$1,826,196
Traffic Planning and Engineering Traffic Operations Subdivisions Assessment District Administration



	2003-04 Actual	2004-05 Actual	2005-06 Estimated	2006-07 Proposed
Salaries and Benefits	\$ 3,128,134	\$ 3,345,553	\$ 3,648,877	\$ 4,122,653
Maintenance and Operations	\$ 585,037	\$ 692,495	\$ 794,490	\$ 859,519
Capital Outlay	\$ 40,837	\$ 18,875	\$ 30,600	\$ 31,100
Total	<u>\$ 3,754,008</u>	<u>\$ 4,056,923</u>	<u>\$ 4,473,967</u>	<u>\$ 5,013,272</u>

UTILITIES DEPARTMENT

MISSION
STATEMENT

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

PRIMARY
GOALS

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



Department Organization

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

The **Electrical Division** staff of five field personnel is responsible for the maintenance and operation of electrical services at all City facilities. These facilities include park sites, community buildings, water and sewer pump stations, oil wells, emergency generators, and over 6000 street and parking lot lights. Staff responds to over 1500 service requests each year.



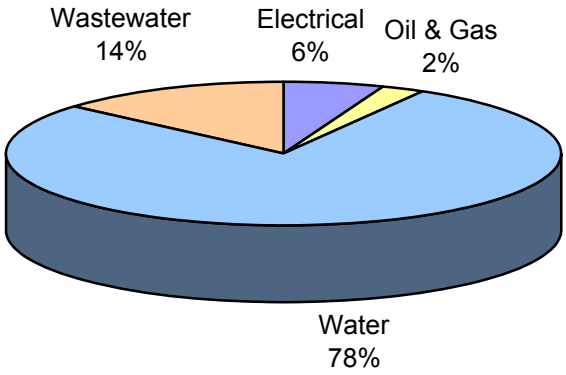
The **Oil & Gas Division** provides contract administration and oversight for a small oil tank farm consisting of 16 wells in West Newport Beach. The operation and maintenance of the oil operation is out sourced. Natural gas is a by-product of the oil production and is sold to Hoag Hospital.

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 of 2725 fire hydrants, 7813 shut-off valves, over 215 miles of transmission mains, and 82 miles of distribution 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. The Wastewater Division's closed circuit television unit is working towards video taping the 200 miles of sewer main by 2008 to meet the General Waste Discharge Requirements for the State of California.

UTILITIES DEPARTMENT (CONTINUED)



Electrical Staffing: 5, 0.5 FTE \$1,142,845
City Facilities Electrical Service Recreational Field Lighting Parking Lot Lighting Street Lighting

Oil & Gas Staffing: 0 \$475,102
Oil Production Gas Production Oil & Gas Remediation

Water Staffing: 34, 7.25 FTE \$14,982,530
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 \$2,602,594
Sewer Main Cleaning Sewer Mainline Repair Pump Station Maintenance Sewer Lateral/Cleanout Replacement

	2003-04 Actual	2004-05 Actual	2005-06 Estimated	2006-07 Proposed
Salaries and Benefits	\$ 4,643,204	\$ 4,867,761	\$ 5,232,786	\$ 5,583,983
Maintenance and Operations	\$ 12,500,459	\$ 12,858,497	\$ 13,437,989	\$ 13,566,438
Capital Outlays	\$ 61,876	\$ 85,166	\$ 53,745	\$ 52,650
CIP	\$ 5,939,082	\$ 7,703,436	\$ 10,948,359	\$ 3,848,000
Total Expenditures	\$ 23,144,621	\$ 25,514,860	\$ 29,672,879	\$ 23,051,071
Charges for Services	\$ 19,513,959	\$ 19,559,777	\$ 19,432,000	\$ 20,550,000
Intergovernmental	\$ 1,608,507	\$ 788,188	\$ 805,393	\$ -
Use of Money & Property	\$ 145,244	\$ 363,206	\$ 472,538	\$ 790,000
Sales of Oil & Gas	\$ 1,040,881	\$ 1,301,532	\$ 1,355,000	\$ 1,055,000
Other Revenue	\$ 402,405	\$ 125,905	\$ 18,000	\$ 23,000
Transfer (To) From Reserves	\$ 433,625	\$ 3,376,253	\$ 7,589,948	\$ 633,071
Total Revenue	\$ 23,144,621	\$ 25,514,860	\$ 29,672,879	\$ 23,051,071

CITY OF NEWPORT BEACH

2006-2007 RESOURCE ALLOCATION PLAN

DESCRIPTION OF INTERNAL SERVICE FUNDS

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

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

Each Department's share of the City's anticipated Workers' Compensation expenses was determined by an analysis of claims history by labor class in Newport Beach as compared to the same information for the State as a whole. Based on this data, appropriate rates were established for each labor class in the City. These rates were then used to determine the budget base needed in each Department to accumulate the total anticipated Insurance Reserve Fund requirement to pay all Workers' Compensation claims and related expenses for this budget year (approximately \$2,418,461). Similar to the situation with Liability, there is an accumulated deficit for Workers' Compensation. Therefore \$3,199,421, or a projected excess of \$780,960 is being collected to cover the deficit.

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

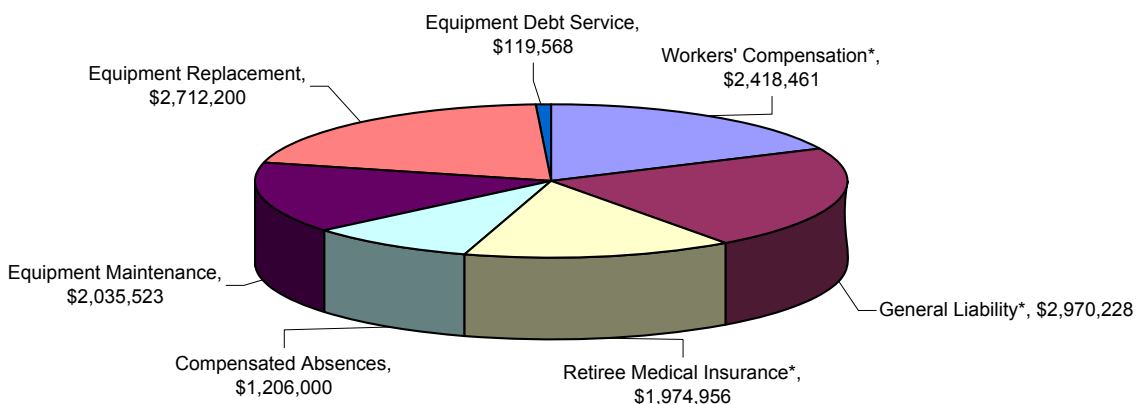
Compensated Absences Fund. Departmental payments into the Compensated Absences Internal Service Fund are based on a percentage of salary. That percentage is set at a level which will accumulate a sufficient monetary base within the fund to accommodate current year expenses. This year's contribution to the Fund for this purpose is budgeted at \$2,052,827. 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 2006-2007, 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

2006-2007 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, 2006, amounted to \$5,280,000.

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, 2006, amounted to \$1,632,789. 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, 2006, amounted to \$166,447. 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, 2006, the outstanding balance was \$5,925,000 and interest payable was \$314,623.

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, 2006, \$13,200,000 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, 2006, the outstanding balance of this loan was \$2,207,000.

Debt Service Estimates 2006-2007

	Original Issuance	Balance 07/01/2006	Additions	Deletions	Balance 06/30/2007	2006		Principal Paid to Date
						Total Payments	Interest	
Refunding Library COP	7,330,000	5,280,000	-	(300,000)	4,980,000	562,530	262,530	2,350,000
Balboa Marina Loan	3,457,930	1,632,789	-	(163,587)	1,469,202	237,062	73,475	1,988,728
Water Revenue Refunding Bonds	14,225,000	5,925,000	-	(1,385,000)	4,540,000	1,643,763	258,763	9,685,000
Rolling Stock Leases	1,700,049	166,447	-	(116,566)	49,881	119,568	3,002	1,650,168
Section 108 Loan	2,400,000	2,207,000	-	(73,000)	2,134,000	191,224	118,224	266,000
Pre-Annexation Agreement	18,000,000	13,200,000	-	(1,200,000)	12,000,000	1,200,000	-	6,000,000
Total Debt Service	<u>47,112,979</u>	<u>28,411,236</u>	<u>-</u>	<u>(3,238,153)</u>	<u>25,173,083</u>	<u>3,954,147</u>	<u>715,994</u>	<u>21,939,896</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

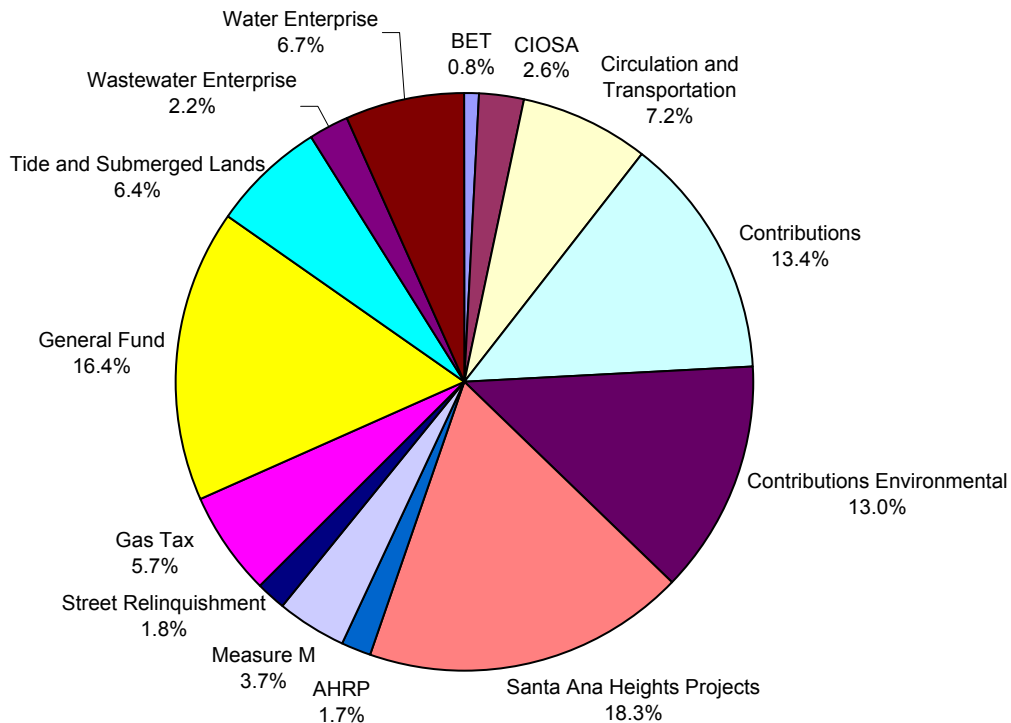
CAPITAL IMPROVEMENTS

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

The FY 2006-07 CIP consists of over 100 projects representing nearly \$27 million in new appropriations and more than \$14 million in rebudgeted funds. The CIP was developed with input from all City departments, citizen input, and City Council members who identified needs in their respective areas. The individual project requests were compiled by each department and then submitted to the Public Works Department in early 2006. The projects were prioritized and summarized by available funds and reviewed by the Public Works Director. A Public Works CIP review team then met with representatives from each Department to discuss funding priorities. The projects recommended for approval were presented to the City Manager in March and were again discussed with each Department Director. The process was finalized in April and packaged for distribution to the City Council.

Funding of the capital projects, including preliminary estimates for projects to be rebudgeted, is derived from multiple funding sources, as follows:

**2006-2007 Capital Improvement Projects by Fund
(Includes Preliminary Rebudgets)**



Highlights of the new appropriations are presented by fund as follows (please note that some projects are funded under multiple funds):

General Fund

Projects funded by the General Fund include City facilities, storm drains, alleys, pedestrian improvements, water quality, streetlights, and park projects. Major projects within this fund total \$5 million and include:

- Repairs and improvements to various City facilities, including Little Corona Beach restroom, police facilities and perimeter fencing, public libraries, fire training facility, and Newport Theater Arts entry (\$906,500)
- Storm drain and drainage improvements (\$505,000)
- Sidewalk, curb and gutter replacement program, alley replacements, slope repairs, street, bikeway and parking lot improvements, signs and irrigation improvements (\$1,057,500)
- Streetlight replacement program (\$450,000)
- Park improvements including Mariners Park refurbishment and Newport Village Park construction (\$1,591,000)
- Environmental projects such as Buck Gully maintenance road and wetland restoration and Newport Coast watershed program (\$145,000)
- Other capital purchases, including fire fighting equipment and mobile computers, police generator, and building inspection software (\$345,000)

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. New projects in this fund total \$1,585,000. Major projects include:

- 26th Street tidal structure and bulkhead (\$250,000)
- Various dock improvements (\$328,500)
- Oil field improvement program (\$280,000)
- Various environmental programs (\$441,500)
- Waterfront walkways, maintenance projects and studies (\$285,500)

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 \$200,000 and will be used for public facility improvements that include:

- Playground equipment (\$80,000)
- Computer equipment for fire apparatus (\$87,000)
- “Jaws of Life” life saving tool (\$33,000)

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 \$1,749,000. The projects encompass distribution and piping, water system repairs, and pumping and operating and a building remodel at the Utilities yard.

Wastewater Enterprise Fund

Funds for capital projects in the Wastewater Enterprise Fund are derived from service charge fees and are used for the rehabilitation and expansion of the City’s sewer services. Projects in this fund total \$799,000 and include sewer main and pump station improvements and a building remodel at the Utilities yard.

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. Major cooperative projects to be undertaken in FY 2006-07 include:

- Environmental grants and programs (\$3,584,000)
- Newport Village Park (\$1,700,000)
- Jamboree Road Widening over SR73 (\$465,000)

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 \$1,413,000.

Contributions Fund

The Contribution Fund is used to account for revenues received from grant programs, other governmental agencies, or private developers and are expended for specific purposes or construction projects. Projects in this combined fund total \$7,164,900.

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 \$1,030,000.

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 \$260,000.

Special Projects

This year there are several projects funded by redevelopment funds earmarked for Santa Ana Heights. These projects total \$7,015,162 and are:

- Construction of Fire Station No. 7 (\$2,815,162)
- Santa Ana Heights recreation center (\$4,150,000)
- Mesa Drive storm drain (\$50,000)

Conclusion

The City continues to undertake an ambitious and wide-ranging capital improvement program. The projects, both significant and diverse, will serve all areas of the City. It is the City's policy to appropriate sufficient funds for all projects scheduled during the coming budget year. Many of the projects require multiple year terms to complete them. In such cases, only the current phase identified to be completed during FY 2006-07 is budgeted and appropriated. Subsequent phases of a project and projects requiring more time or funding are reconsidered at the appropriate time.



APPENDICES

TIDE & SUBMERGED LAND FUND

Estimated Funds Available

Estimated Beginning Fund Balance	\$0	
Estimated Revenue for 2006-2007 - All Sources	<u>\$8,119,529</u>	
Total Funds Available		<u>\$8,119,529</u>

Estimated Chargeable Expenditures

Fire	\$10,949,522*	
General Services	2,588,845*	
Police	7,133,314*	
Public Works	501,327*	
Administrative Services	74,315*	
City Manager - Water Quality & Code Enforcement	388,228	
Capital Projects	2,645,269	
Debt Services Expenditures	<u>237,062</u>	
Total of All Proposed Expenditures		<u>\$24,517,882</u>

Estimated Ending Fund Balance **(\$16,398,353)**

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

Capital Asset Schedule

as of June 30, 2005

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, 2005 (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, 2005 (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
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, 2005 (continued)

Description	Year of Acquisition	Historical Cost
Equipment		
Rolling Equipment	various	20,312,947
Other Equipment	various	3,232,668
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		\$1,793,604,725

* Leasehold improvements made by Lessee not valued.

EQUIPMENT MAINTENANCE AND REPLACEMENT FUND

Schedule of Rolling Equipment Replacement (FY 2006-07)

Public Safety Departments

Police Department

Chief of Police Van	\$ 26,000
Support Services Van	\$ 26,000
Patrol/Traffic Sedans (10)	\$ 270,000
Patrol Station Wagons, 4x4 (2)	\$ 76,000
Police Motorcycles (3)	\$ 57,000
Traffic Truck	\$ 18,000
Traffic Sedans (2)	\$ 52,000
Detective Sedans (2)	\$ 52,000
Sub Total	\$ 577,000

Fire Department

Rescue Boat	\$ 300,000
Truck, 1/4 ton 4x4 (6)	\$ 162,000
Station Wagon (3)	\$ 63,000
Sub Total	\$ 525,000

Other Departments

Office of the City Manager

Clean Sweep Boat	\$ 36,000
Truck, 1/4 ton 4x4	\$ 24,000
Sub Total	\$ 60,000

Building Department

Station Wagon (4)	\$ 76,000
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Public Works Department

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

Street Sweepers, Propane Powered (2)	\$ 400,000
Trailer, Wheeled Pump	\$ 85,000
Beach Cleaner	\$ 80,000
Station Wagon	\$ 25,000
Truck, Traffic Sign Installation	\$ 70,000
Pressure Washer	\$ 20,000
Truck, 1/2 Ton	\$ 22,500
Arrow Board	\$ 10,000
Sub Total	\$ 712,500

Recreation/Senior Services Department

Station Wagon	\$ 19,000
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Utilities Department

Backhoe	\$ 140,000
Trucks, 1 1/4 Ton Utility Body (2)	\$ 65,000
Station Wagon, 4x4	\$ 28,000
Arrow Board	\$ 10,000
Sub Total	\$ 243,000

PUBLIC SAFETY TOTALS **\$ 1,102,000**

OTHER DEPARTMENT TOTALS **\$ 1,148,500**

GRAND TOTAL ALL DEPARTMENTS **\$ 2,250,500**

CITY OF NEWPORT BEACH
2006-2007 RESOURCE ALLOCATION PLAN
PRELIMINARY

ROLLING STOCK IN SERVICE

Information to be updated in the final Resource Allocation Plan.

SEVEN YEAR COMPARISON OF FULL-TIME POSITIONS

2000-01 2001-02 2002-03 2003-04 2004-05 2005-06 2006-07

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	18.00	11.00	11.00	17.00	19.00	20.00	20.00
Human Resources	0.00	9.00	9.00	9.00	9.00	9.00	9.00
City Attorney	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Administrative Services	49.00	49.00	49.00	50.00	50.00	53.00	53.00
Total	75.00	77.00	77.00	84.00	86.00	90.00	90.00

PUBLIC SAFETY

Police	221.00	238.00	237.00	237.00	237.00	238.00	239.00
Fire	0.00	146.00	147.00	148.00	148.00	150.00	154.00
Fire and Marine	137.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	358.00	384.00	384.00	385.00	385.00	388.00	393.00

COMMUNITY DEVELOPMENT

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

PUBLIC WORKS

Public Works and Utilities	37.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Works	0.00	33.00	33.00	33.00	33.00	34.00	36.00
Utilities - Electrical	0.00	5.00	5.00	5.00	5.00	5.00	5.00
General Services	105.00	110.00	111.00	109.00	109.00	109.00	110.00
General Services - Equipment ISF	13.00	15.00	15.00	15.00	15.00	15.00	15.00
Total	155.00	163.00	164.00	162.00	162.00	163.00	166.00

COMMUNITY SERVICES

Library	36.00	36.00	37.00	36.00	36.00	40.00	41.00
Arts & Cultural	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	2.00	2.00	0.00	0.00	0.00	0.00	0.00
Recreation	9.00	11.00	11.00	11.00	11.00	12.00	12.00
Senior Citizens	5.00	7.00	7.00	7.00	10.00	10.00	10.00
Recreation & Senior Services Admin	0.00	0.00	2.00	2.00	2.00	3.00	3.00
Total	53.00	57.00	58.00	57.00	60.00	66.00	67.00

BALBOA YACHT BASIN

	1.00	1.00	1.00	1.00	1.00	0.00	0.00
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WATER ENTERPRISE FUND

	34.00	33.00	33.00	33.00	34.00	34.00	34.00
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SEWER ENTERPRISE FUND

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

	728.00	771.00	775.00	781.00	788.00	802.00	811.00
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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.

