



FOR IMMEDIATE RELEASE  
November 6, 2008

Contact: Tara Finnigan  
Public Information Manager  
949-644-3035

## **City of Newport Beach Facilities Master Plan Wins Award**

**NEWPORT BEACH, Ca.** -- The City of Newport Beach Facilities Finance Master Plan (FFMP) has received the prestigious Helen Putnam Award from the League of California Cities. The city received the award in the Internal Administration category at the League's recent annual conference and the master plan is featured in the November issue of the League's magazine, *Western Cities*.

The FFMP was developed two years ago after an evaluation of the city's major facilities concluded that nearly two dozen would need to be replaced or renovated within the next 15 years. The list of facilities identified in the plan includes fire stations, branch libraries, parks and community centers, and the new city hall.

The total cost of these projects, estimated at \$250 million, presented a major challenge to a city unaccustomed to issuing large amounts of debt. The city created a long-term, affordable funding plan to help balance the cash flow requirements for the new facilities program, including debt service, and the cash flow requirements of its day-to-day operations.

"Newport Beach has conservative fiscal policies, so we wanted to be sure that the full capital improvement plan could be accomplished without placing an undue burden on our ability to provide ongoing services," explained Council Member Keith Curry.

An important component of the City Council-approved FFMP is a cash flow schedule that incorporates variables such as the prospective cost of debt, inflation, potential funding sources (such as grants and donations), and the timing of projects. The most critical variable is the annual contribution required from the city's General Fund budget to keep the dedicated Facilities Replacement Fund from running out of money over time. If the city can afford to budget the designated amount on an ongoing basis, the program will continue as scheduled. If not, the program will be adjusted. In addition, the plan

stipulates that debt payments for the projects will never exceed 4.2 percent of the General Fund budget.

“The plan is an integral part the City Council’s annual planning session and the city’s budget process,” said Mayor Edward Selich. “In terms of facility replacement, we can clearly see what we need to do, when we need to it and how much it will cost. It doesn’t eliminate the ability to take on a new or unanticipated project, but it spells out the effect of that decision on the city’s long-term needs.”

For more information about the plan, please contact Administrative Services Director Dennis Danner or Deputy Director Dick Kurth at 949-644-3127.

-30-