

Corona del Mar Residents Assn

From: Kiff, Dave <DKiff@newportbeachca.gov>
Sent: Friday, May 20, 2016 11:40 AM
To: undisclosed-recipients:
Subject: Insider's Guide for Tuesday, May 24, 2016

Here's what's on the schedule for the Newport Beach City Council meeting of **Tuesday, May 24, 2016**.

More detailed Council meeting information is at the end of this e-mail, and here is [a link to the full Council agenda](#). I don't summarize every item on the agenda.

The afternoon is a little complex, involving a business item, a joint meeting with the Finance Committee, and our usual **Study Session**. Everything gets rolling at **4:00 p.m.** as follows:

- Our **regular budget presentation**, reflecting the proposed budget for FY 16-17 that, if approved, would be implemented July 1, 2016. If I were to ask you to learn just 5 things about your city's budget, it would be these:
 - The revenues that the City receives to build the budget are **diverse** – there is sales tax, property tax, hotel bed tax, property rental payments, parking fees, participation fees (like recreation classes and plan check), state and regional subventions (like the gas tax and Measure M funds), rate-based dollars (from your water bills and sewer bills), and more. Newport Beach is in a nice position to have a balance of these sources, as well as to have many other people from across the region, state, and nation pay the taxes and fees. It's not our residents' burden alone.
 - When **City revenues go up**, it doesn't necessarily mean you're paying more taxes or the City is spending more on operations. In most cases, it's because the economy is strong and folks are shopping here and vacationing here. And when we do have revenue above what we projected, we talk to the Council about putting that back into important one-time expenditures – like paying down our pension debt faster, repaving more roads, and adding more landscaping. This year, we might use some of the extra revenue to supplement the Wastewater Fund.
 - The thing that keeps me awake at night is our **unfunded pension liability**. It dwarfs other debt. And it is completely akin to debt – borrowed at 7.5%. Worse yet, it's on a principal that keeps varying based on retiree mortality, investment return assumptions, and the stock market. While it might keep me awake, I eventually go back to sleep. Why? Drugs. No. Because Newport Beach is better able to deal with it than most communities are or will be. We have strong revenue sources and have made important reforms, including having employees pay more for pension costs. But it still should keep folks awake. More must be done, including more reform at the State level.
 - Much of **our expenses involve people**. Like overpaid city managers. Seriously, our two largest departments, Police and Fire/Lifeguards are predominantly people-driven costs. And what important people they are. Salary and benefit costs (including the pension costs) are 70.5% of our General Fund expenses. And the other 29% or so of the General Fund involves a lot of our contracts, where services once performed by City staff are now done by private companies, like tree trimming, parking management, street sweeping, trash collection, restroom cleaning, and more.
 - A budget is a careful **balancing** of community needs and scarce resources. It's never an easy balance. Your elected officials go through a lot of give and take to help decide what ends up in and what's out. Not everyone is happy at the end.
- The other two items have to do with **Pacific Coast Highway**, in part with a focus on **Mariners Mile** (the area of West Coast Highway between Dover and Newport Boulevard). First up, **OCTA** will present its completed PCH Corridor Study, which looked at possible improvements all the way from Seal Beach to San Clemente. Following that, our Public Works staff will focus on Mariners Mile and a big decision for the Council and community – what should the travel lanes look like? Three consistently in each direction? Can on-street parking and bike lanes coexist? (um,

no). While some might say “keep it constrained, because that means fewer cars will go through it,” that itself could be both inconsistent with our General Plan and put Measure M dollars at risk.

- There also is a vote planned in the afternoon session on whether to designate a **John Wayne Day** in Newport Beach.

The nighttime **Regular Session at 7:00 p.m.** includes these items:

- The **Corona del Mar Business Improvement District (BID)** and the **Newport Beach Restaurant BID** are up for renewal.
- The Harbor Commission has asked that the Council consider a second year of a **trial anchorage area** in the triangle of the Harbor across from Lido Isle, Lido Marina Village, and the Winery Restaurant.
- Oh, and the **Newport Heights undergrounding item** is back for an encore. At the last meeting, Council took a lot of testimony, but then moved it forward for a Council vote to this coming meeting. It needs four affirmative votes to go to a ballot measure of the affected property owners, and on May 10th it seemed as if only three Council members were present and inclined to do that. Mr. Curry and Mr. Muldoon both cannot vote on these items, due to investments and business occupation, respectively. That leaves five people who can vote, and Mayor Dixon was not present, as she was taking a late flight east to see a new grandchild’s arrival. There is always a chance that we discover after the weekend that petition percentages have changed again, as folks change their minds. I was asked if public testimony will be taken on this item – it will. While it is no longer the official public hearing for the proposed district, all Council agenda items on “Current Business” have comment periods - generally three minutes per person.
- I put a big contract award to replace all of the **streets in Cameo Shores** on the agenda as a discussion item, because it’s \$3.3 million. So putting back on my budget visor (the nerdy plastic green one), it’s these kinds of investments in our streets that are so vital to keep property values high and traffic moving safely. This would be a Capital Improvement Program (CIP) item that the Council approved this time last year in the budget discussions. After all of the design work is done and bids opened, it’s almost ready to roll. A street reconstruction is the most impactful (and expensive) street repair – the underlying structure of the street is re-done, which is both costly and disruptive. But it will last a long time.

Some notes ...

- Next week is a big annoying week for **Newport Boulevard near the Old City Hall site**. The chewing up and repaving of streets there will go into some really serious long days – and nights too. It sounds like Wednesday night (May 25th) will be pavement grinding and Thursday night (May 26th) will be the repaving. After next week, unless something goofy happens, we will start to leave you very patient and construction-weary Peninsula folks alone (we think) for a while. No, the project won’t be completely done, but it will be passable and safe until final paving and final landscape work.
- **Demolition of the Old City Hall** buildings is planned to start Monday. With a wrecking ball. If I’m there watching and get teary-eyed, it’s because of the dust, not because it’s the place where I started working for a great community 18 years ago. We’ll start to see the **Lido House Hotel** taking shape before we know it.

As always, thanks for reading. Feel free to forward this e-mail to family, friends and members of your HOA if you represent one. I always like hearing from you, too, so please don’t hesitate to ask a question or offer a comment.

Sincerely,

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City Council Meeting Information: The Newport Beach City Council meets on the 2nd and 4th Tuesdays of most months (the exceptions are August and December). Typically, there is a **Study Session** that starts at 4:00 p.m. Study sessions

are times for the Council to take a deeper look at a specific issue, or hear a presentation, that might eventually lead to a specific and more formal action. A **closed session** often follows the Study Session. Closed sessions are typically to address legal, personnel, and other matters where additional confidentiality is important. The **Regular (evening) Session** typically starts at 7:00 p.m., and often has a specific listing of 20-40 different items ready for formal votes. Items on the “Consent Calendar” are heard all at once, unless a Council member has removed (aka “pulled”) an item from the Consent Calendar for specific discussion and separate vote. If an item on the agenda is recommended to be “continued”, it means that the item won’t be heard nor voted on that evening, but will be pushed forward to another noticed meeting.

Public Comment is welcomed at both the Study Session and the Regular Session. The public can comment on any item on the agenda. If you want to comment on a Consent Calendar item that was not pulled from the Consent Calendar by a Council Member, you will want to do so at the time listed on the agenda – right before the Council votes on the entire Consent Calendar (it’s Roman Numeral XIII on the posted agenda). If an item is pulled, the Mayor will offer that members of the public can comment as that specific item is heard separately. Additionally, there is a specific section of Public Comment for items not on the agenda, but on a subject of some relationship to the city government. If you cannot attend a meeting and/or want to communicate with the City Council directly, this e-mail gets to all of them: CityCouncil@newportbeachca.gov. Please know that I get a copy of that e-mail, too, because in almost all cases it’s something that the City Manager follows-up on. It’s my head-start.

The Council meets in the Council Chambers at 100 Civic Center Drive, off of Avocado between San Miguel and East Coast Highway. There is plenty of parking in the parking structure behind City Hall. You are always welcome to attend in person, but you can also watch on TV (Channels 3/31) or on your computer.

This *Insider’s Guide* is not an attempt to summarize every item on the Agenda – just the ones that seem of specific interest to Dave. I encourage you to read the full agenda if you wish.