



CITY OF

NEWPORT BEACH

City Council Staff Report

July 8, 2025
Agenda Item No. 10

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Tentative Memorandum of Understanding with the Newport Beach
Fire Management Association

ABSTRACT:

The Memorandum of Understanding (MOU) between the City of Newport Beach and the Newport Beach Fire Management Association (NBFMA) expires on December 31, 2025. At the direction of the City Council, City and NBFMA representatives began meeting and conferring in good faith on wages, benefits and other terms and conditions of employment in order to implement a successor agreement with enhanced benefits prior to the current MOU's December 31 expiration date.

A Tentative Agreement on the terms of a successor MOU has been reached. In furtherance of the City Council's goal to provide transparency in the negotiations process, the Tentative Agreement and its associated costs are being presented for public review and comment. The final MOU, which spans the time period of July 1, 2025, through June 30, 2028, will be presented for City Council action at its May July 22, 2025, regular meeting.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Receive and consider the Tentative Agreement between the City of Newport Beach and the Newport Beach Fire Management Association.

DISCUSSION:

The NBFMA is a recognized employee association which currently represents four fire battalion chiefs. The proposed successor MOU provides for the addition of two non-safety positions to the unit, the fire marshal and the EMS division chief, as well as the conversion of one of the battalion chief positions to an administrative division chief.

The City and NBFMA representatives met several times to discuss the terms of a successor agreement. Topics discussed during negotiations included wage and equity adjustments, leaves, certification pay, longevity pay, medical insurance and other, non-economic matters. Clarifying language to existing provisions was added where necessary.

Key provisions of the Tentative Agreement between the City and NBFMA include:

- Term - Approximately three years, expiring June 30, 2028.
- Wage Adjustments – Safety Classifications:

July 12, 2025	7%,
July 2026	4%
July 2027	4%.

Equity Adjustment July 12, 2025 2%

- Wage Adjustments – Non-Safety

July 12, 2025	4%
July 2026	4%
July 2027	4%

- Longevity Pay Adjustments for Safety Classifications - Adjustments to existing longevity pay for safety classifications will provide an additional 5% for those with at least 15 years of service but less than 20 years of service. Safety members with 20 or more years of service will receive an additional 10%.
- Medical Insurance – The City will increase its cafeteria contribution to \$2,224 per month (plus the minimum CalPERS participating employee contribution) to each member's cafeteria plan.
- Holidays – Because safety members are expected to work without regard to City-recognized holidays, all holidays will be provided as cash with no option to take holidays as time off.
- Non-Accruing Leave Bank – Safety employees will receive 48 hours annually of paid leave. The hours do not accrue, have no cash value, and are nontransferable.
- Administrative Leave – Non-Safety Classifications may be granted up to 80 hours of administrative leave.

- Retirement Contributions – Non-Safety Classifications will contribute 11.5% of compensation earnable or pensionable compensation towards their CalPERS retirement benefit.
- Expansion of City-paid deferred compensation benefit to all unit members.

A draft version of the Tentative Agreement between the City and NBFMA is included as Attachment A with changes from the current agreement in redline. Costing information is included as Attachment B. The total cost of the contract is approximately \$930,000.

NBFMA has informed the City that its members have voted to approve the agreement. Following City Council review of the Tentative Agreement and proposed MOU with NBFMA, a final version of the successor MOU will be presented at the July 22, 2025, regular City Council meeting. The costing information and proposed revisions to the MOU will be posted for public review on the City's website.

The agreement will not become effective, per Government Code §3505.1, until the governing body, i.e., the City Council, takes action to adopt it. If the City Council approves adoption of the Tentative Agreement with NBFMA at the July 22, 2025, meeting, City staff will work to implement the provisions as soon as practicable.

FISCAL IMPACT:

Detailed cost information is provided in Attachment B. The MOU will result in the following annual fiscal impacts to implement the terms of the agreement, totaling \$930,067.

Fiscal Year	Amount
2025/26	230,058
2026/27	308,970
2027/28	391,038
	930,067

The costs shown reflect additional annual expenses for the corresponding fiscal years. Sufficient projected unassigned General Fund balance reserves are available to support the required appropriations. Following the City Council's consideration of the Tentative Agreement, staff will return with a budget amendment to appropriate the funds needed to cover the cost of the contract for Fiscal Year 2025-26. Adequate funding will be included in the annual budget for subsequent years.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment)

and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Tentative Agreement and Proposed MOU Between the City and NBFMA
(Redline)

Attachment B – Estimated Cost of Contract with NBFMA