



**CITY OF**

---

---

# **NEWPORT BEACH**

## **City Council Staff Report**

June 24, 2025  
Agenda Item No. 7

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** Grace K. Leung, City Manager - 949-644-3001,  
gleung@newportbeachca.gov

**PREPARED BY:** Barbara J. Salvini, Human Resources Director - 949-644-3259,  
bsalvini@newportbeachca.gov

**TITLE:** Resolution No. 2025-36 Adopting a Memorandum of Understanding  
with the Newport Beach Employees League (LEAGUE) and  
Associated Salary Schedule

---

**ABSTRACT:**

The Tentative Agreement regarding a Memorandum of Understanding (MOU) between the City of Newport Beach and the Newport Beach Employees League (LEAGUE or Union) was submitted at the City Council's June 10, 2025 meeting to provide the Council and the community an opportunity to consider the terms and costs of the agreement.

The proposed MOU is now presented for the City Council's approval (or rejection). This is the final step in the meet and confer process with LEAGUE. Included in the recommendation for approval of the MOU is the associated salary schedule. The attached budget amendments appropriate the necessary funding to cover the costs associated with the agreement for Fiscal Years 2024-25 and 2025-26.

**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;
- b) Adopt Resolution 2025-36, *A Resolution of the City Council of the City of Newport Beach, California, Adopting a Memorandum of Understanding Between the City of Newport Beach and the Newport Beach Employees League and Associated Salary Schedule; and*
- c) Approve Budget Amendment No. 25-076 appropriating \$31,563 in increased expenditures in various City division salary and benefit accounts from unappropriated fund balances for Fiscal Year 2024-25; and
- d) Approve Budget Amendment No. 26-002 appropriating \$926,170 in increased expenditures in various City division salary and benefit accounts from unappropriated fund balances for Fiscal Year 2025-26.

## **DISCUSSION:**

*The following discussion was provided, in part, with the June 10, 2025, staff report and is included here for reference:*

LEAGUE represents approximately 100 non-safety employees in municipal operations and utilities occupations, including park, beach and street maintenance, water and wastewater services, and equipment/mechanical maintenance. LEAGUE is affiliated with the Orange County Employees Association (OCEA). During negotiations, City staff members, LEAGUE members, and respective legal representatives discussed wage adjustments, the medical cafeteria allowance and structure, standby pay, certificate pays, and other non-economic matters.

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

- Term: June 14, 2025 through June 30, 2028
- Salary Adjustments:
  - June 14, 2025 – 5% increase
  - July 2026 – 4% increase
  - July 2027 – 3% increase
- Medical Insurance: The City will contribute \$2,025 per month (plus the minimum CalPERS participating employee contribution) to each member's cafeteria plan.
- Employee Retirement Contributions: Effective June 14, 2025, employee retirement contributions will adjust as follows:
  - Tiers I & II – 8% of compensation earnable
  - Tier III – 8% of pensionable compensation or half of the normal cost, whichever is higher
- Standby Duty: Increased from \$8.00 per hour to \$12.00 per hour.
- Certification Pay: Existing certificate pays will increase by 30%. New certifications will be added for CWEA Electrical & Instrumentation Technologist Grade 2 or above and CNG Fuel System Inspector.

The City Council reviewed the Tentative Agreement and proposed MOU with LEAGUE at its regular meeting of June 10, 2025, after which the costing information and proposed revisions to the MOU were posted for public review on the City's website. A final version

of the successor MOU is being presented (Attachment A) in accordance with Government Code §3505.1. The total cost of the LEAGUE MOU is approximately \$4.95 million. If the Council approves adoption of the MOU, City staff will work to implement the terms as soon as practicable.

**FISCAL IMPACT:**

Detailed cost information is provided in Attachment B. Since the MOU covers the period from June 14, 2025, through June 30, 2028, it will result in the following annual fiscal impacts to implement the terms of the agreement, totaling \$4,949,625:

Fiscal Year	Amount
2024/25	\$ 31,563
2025/26	1,168,257
2026/27	1,676,635
2027/28	2,073,170
	<b>\$ 4,949,625</b>

A budget amendment is required to appropriate \$31,563 from unappropriated fund balances to implement the agreement for the remainder of Fiscal Year 2024-25. An additional budget amendment is required to appropriate \$926,170 for Fiscal Year 2025-26. The MOU for the League is funded by the General Fund, Water Fund, Wastewater Fund, and the Equipment Internal Service Fund.

**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 – Resolution No. 2025-36, including Exhibit A, LEAGUE MOU

Attachment B – Costing

Attachment C – Budget Amendment No. 25-076

Attachment D – Budget Amendment No. 26-002