



CITY OF

NEWPORT BEACH

City Council Staff Report

June 24, 2025
Agenda Item No. 17

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Tentative Agreement with Newport Beach Professional and
Technical Employees Association

ABSTRACT:

The Memorandum of Understanding (MOU) between the City of Newport Beach and the Newport Beach Professional and Technical Employees Association (ProfTech or Association) expires December 31, 2025. At the City Council's direction, the parties began negotiating the terms and conditions of a new agreement well in advance of the expiration date, with the goal of implementing a successor agreement with enhanced benefits as soon as possible. A Tentative Agreement (Agreement) has been reached. The Agreement addresses wages, benefits and other terms and conditions of employment for employees represented by ProfTech and was negotiated as required under the Meyers-Milias-Brown Act, California Government Code §3500.

To promote greater transparency in the negotiations process, including the costs associated with the labor contract, the Agreement with ProfTech is being presented at this time for public review and comment. The complete Agreement, which spans the period June 28, 2025, through June 30, 2028, will be presented for City Council consideration at the July 8, 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 Professional and Technical Employees Association.

DISCUSSION:

ProfTech represents just under 100 miscellaneous employees in engineering, planning, and information technology occupations. ProfTech is affiliated with the Laborers' International Union of North America, Local 777 (LIUNA).

During negotiations, City staff members and ProfTech board members discussed wage adjustments, the medical cafeteria allowance and structure, leave time, certificate pays, and other non-economic matters.

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

- Term: June 28, 2025 through June 30, 2028
- Salary Adjustments:
 - June 28, 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 28, 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.
- Introduction of Longevity Pay starting at 15 years of full-time service with the City.
- Adjustments to Standby Pay, Callback Duty, Certificate Pays and Holiday Leave.

A draft version of the Tentative Agreement between the City and ProfTech is provided as Attachment A. Changes to the current agreement are noted in redline. Costing information is included in Attachment C. The total cost of the contract is approximately \$5.5 million.

ProfTech's members have voted in favor of the Agreement. Following City Council review of the Tentative Agreement with ProfTech, a final version of the successor MOU will be presented to the City Council on July 8, 2025. In the interim, the costing information and proposed MOU revisions will be posted for public review on the City's website.

The Agreement will not become effective until the City Council formally adopts it. If approved at the July 8, 2025 City Council meeting, City staff will implement the provisions accordingly.

FISCAL IMPACT:

Detailed cost information is provided in Attachment C. Since the MOU covers the period from June 28, 2025, through June 30, 2028, it will result in the following annual fiscal impacts to implement the terms of the agreement, totaling \$5,507,942:

Fiscal Year	Amount
2025/26	\$ 1,299,392
2026/27	1,878,802
2027/28	2,329,748
	\$ 5,507,942

The costs shown reflect additional annual expenses for the corresponding fiscal years. Because the contract is expected to take effect on June 28, 2025, the additional expense for FY 2024-25 is considered negligible. 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 budgets 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 the Newport Beach Professional and Technical Employees Association (Redline)
Attachment B – Tentative Agreement and Proposed MOU Between the City and the Newport Beach Professional and Technical Employees Association (Clean)
Attachment C – Estimated Cost of Contract with ProfTech