



CITY OF

NEWPORT BEACH

City Council Staff Report

July 8, 2025
Agenda Item No. 4

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Resolution No. 2025-41: Adopting a Memorandum of Understanding with the Newport Beach Professional and Technical Employees Association (NBPTEA) and Associated Salary Schedule

ABSTRACT:

The Tentative Agreement regarding a Memorandum of Understanding (MOU) between the City of Newport Beach and the Newport Beach Professional and Technical Employees Association (ProfTech or Association) was submitted at the City Council's Regular Meeting on June 24, 2025, 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 ProfTech. Included in the recommendation for approval of the MOU is the associated salary schedule. The attached budget amendment appropriates the required funding to implement the costs associated with the agreement for the current fiscal year.

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 2025-41, *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 Professional and Technical Employees Association and Amending the Salary Schedule; and*
- c) Approve Budget Amendment No. 26-004 appropriating \$1,036,295 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 24, 2025, staff report and is included here for reference.

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 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.
- 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.

The City Council reviewed the Tentative Agreement and proposed MOU with ProfTech at its regular meeting of June 24, 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 ProfTech MOU is approximately \$5.5 million. If the Council approves adoption of the MOU, City staff will work to implement the terms as soon as practicable.

Finally, the IT Division requested a study of its organizational structure and staffing needs. Based on the study, the Senior IT Analyst position, which focuses on GIS, is being reclassified to the position of GIS Coordinator with a salary range that is 5% higher than the Senior IT Analyst position.

FISCAL IMPACT:

Detailed cost information is provided in Attachment B. 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

A budget amendment is required to appropriate \$1,036,295 from unappropriated fund balances to implement the agreement Fiscal Year 2025-26. The MOU for ProfTech is funded by the General Fund, Tidelands Fund, Environmental Liability Fund, Water Fund, and the Information Technology 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. 2025-41 including Exhibit A, ProfTech MOU
Attachment B – Costing
Attachment C – Budget Amendment No. 26-004