

## ATTACHMENT A

### RESOLUTION NO. 2025- 63

#### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH, CALIFORNIA, APPROVING A SIDE LETTER OF AGREEMENT BETWEEN THE CITY OF NEWPORT BEACH AND THE NEWPORT BEACH CITY EMPLOYEES ASSOCIATION RELATED TO CALPERS PENSION DEDUCTIONS

**WHEREAS**, the City Council of the City of Newport Beach ("City Council") previously adopted Resolution No. 2001-50, the "Employer-Employee Relations Resolution," pursuant to authority contained in the Meyers-Milias-Brown Act, Government Code 3500, *et seq*;

**WHEREAS**, the City of Newport Beach ("City") promotes effective communication and collaborative working relationships with its employees to foster improved relations while balancing good management practices;

**WHEREAS**, on November 16, 2021, the City Council adopted Resolution No. 2021-109 approving a Memorandum of Understanding ("Memorandum of Understanding") with the Newport Beach City Employees Association ("NBCEA"), a recognized organization, with a term of January 1, 2022, through December 31, 2025; and

**WHEREAS**, the City Council desires to enter into a Side Letter of Agreement between the City and NBCEA to bring NBCEA in alignment with other miscellaneous groups related to CalPERS pension deductions as set forth in Exhibit A.

**NOW, THEREFORE**, the City Council of the City of Newport Beach resolves as follows:

**Section 1:** The City Council does hereby approve and authorize the Mayor to execute the Side Letter of Agreement attached hereto as Exhibit A, which is incorporated herein by this reference. The terms referenced in the attached Side Letter of Agreement shall prevail over any previously adopted terms within the Memoranda of Understanding that conflict herewith.

**Section 2:** The recitals provided in this resolution are true and correct and are incorporated into the operative part of this resolution.

**Section 3:** If any section, subsection, sentence, clause or phrase of this resolution is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this resolution. The City

Council hereby declares that it would have passed this resolution, and each section, subsection, sentence, clause or phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

**Section 4:** The City Council finds the adoption of this resolution 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, Division 6, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

**Section 5:** This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting the resolution.


**ADOPTED** this 23rd day of September, 2025.

\_\_\_\_\_  
Joe Stapleton  
Mayor

**ATTEST:**

\_\_\_\_\_  
Molly Perry  
Interim City Clerk

**APPROVED AS TO FORM:**  
CITY ATTORNEY'S OFFICE

  
\_\_\_\_\_  
Aaron C. Harp  
City Attorney

Attachment(s):      Exhibit A: Side Letter of Agreement between the City and NBCEA

**SIDE LETTER OF AGREEMENT  
BETWEEN  
CITY OF NEWPORT BEACH  
AND  
THE NEWPORT BEACH CITY EMPLOYEES ASSOCIATION**

This Side Letter of Agreement ("Agreement") is made and entered into this 23rd day of September 2025, by and between the City of Newport Beach ("City") and the Newport Beach City Employees Association ("Association") (collectively "Parties") with respect to the following:

**WHEREAS**, the current Memorandum of Understanding ("MOU") between the Parties has a term of January 1, 2022, through December 31, 2025;

**WHEREAS**, the Parties are currently engaged in ongoing negotiations over a successor MOU;

**WHEREAS**, the Parties reached a Tentative Agreement ("TA") to reduce the employee contributions to CalPERS for retirement benefits provided in MOU Section 4.D.2 (Employee Contributions);

**WHEREAS**, the Parties now wish to amend MOU Section 4.D.2 and implement the reduced employee contributions to CalPERS before the current MOU expires;

**WHEREAS**, the Parties will continue negotiations over the successor MOU; and

**WHEREAS**, this Agreement will not have the effect of an agreement, and will not be binding on either Party, until it is approved by the City Council.

**NOW, THEREFORE**, it is mutually agreed between the Parties to amend MOU Section 4.D.2 as set forth below. Except as expressly modified herein, all other provisions, terms, and covenants set forth in the MOU shall remain unchanged and shall be in full force and effect.

**SECTION 4. FRINGE BENEFITS**

**D. Retirement Benefit**

2. Employee Contributions

The Association has agreed to share in the rising cost of pension obligations. Under the terms of this MOU, unit members will contribute additional amounts toward the CalPERS retirement benefit depending on their tier, to the extent permissible by law. Should any provision be deemed invalid, the City and Association agree to meet for the purpose of renegotiating employee retirement contributions.

Employee retirement contributions that are in addition to the normal CalPERS Member Contribution (of 7% or 8%) shall be calculated on base pay, special pays, and other pays normally reported as "PERSable" compensation and will be made on a pre-tax basis through



payroll deduction, to the extent allowable by law. It is recognized that these payments will not be reported to CalPERS as contributions toward either the Member or Employer rate, as provided under Government Code Section 20516(f).

Tier I Employees - shall contribute a total employee contribution of eight percent (8%) (member contribution).

Tier II Employees - shall contribute a total employee contribution of eight percent (8%) as follows: seven percent (7%) of compensation earnable (member contribution) and one percent (1%) of compensation earnable as cost sharing per Government Code section 20516(f).

Tier III Employees - The minimum statutory employee contribution for employees in Tier III is subject to the provisions of PEPRA and equals 50% of the "total normal cost". Tier III employees shall make an additional contribution of pensionable compensation toward retirement pursuant to Government Code Section 20516(f), such that the total employee contribution equals no less than eight percent (8%) of pensionable compensation (i.e., the greater of 8% of pensionable compensation or 50% of the "total normal cost").

The City contracts with CalPERS for the 4th Level 1959 Survivors Insurance Benefit, \$500 Lump Sum Death Benefit, Sick Leave Credit, Military Service Credit, 2% Cost of Living Adjustment and the pre-retirement option settlement 2 death benefit (Government Code Section 21548).

**Signatures on the next page**

Executed this 23rd day of September 2025


FOR THE NEWPORT BEACH CITY EMPLOYEES ASSOCIATION:

BY:   
\_\_\_\_\_  
Mariah Stinson, NBCEA President

FOR THE CITY OF NEWPORT BEACH:

BY: \_\_\_\_\_  
Joe Stapleton, Mayor of Newport Beach

CITY OF NEWPORT BEACH  
APPROVED AS TO FORM:

BY:   
\_\_\_\_\_  
Aaron C. Harp, City Attorney

ATTEST:

\_\_\_\_\_  
BY: Molly McLaughlin Perry,  
Interim City Clerk

