



CITY OF

NEWPORT BEACH

City Council Staff Report

December 9, 2025
Agenda Item No. 13

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Seimone Jurjis, Assistant City Manager - 949-644-3001,
sjurjis@newportbeachca.gov

PREPARED BY: Lorig Yaghsezian, Management Analyst - 949-644-3028,
lyaghsezian@newportbeachca.gov

TITLE: Organizational Restructuring and Changes to Budgeted Positions

ABSTRACT:

Charter Section 601 provides that the City Council shall establish the number, titles, qualifications, powers, duties, and compensation of all City of Newport Beach (City) officers and employees. As part of ongoing efforts to ensure operational efficiency and reduce costs, the city manager periodically evaluates the City's organizational structure. Following the most recent review, the city manager is proposing to create two new departments: (i) a Municipal Operations Department, which would assume some responsibilities currently assigned to the Public Works Department, and (ii) an Administrative Services Department, which would oversee functions previously managed by the Human Resources and Finance Departments. Additionally, risk management services currently housed within the Human Resources Department would be reassigned to the City Attorney's Office. If approved by the City Council, the recommended actions would implement the revised organizational structure and update the City's budgeted staffing allocations accordingly.

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) Introduce Ordinance No. 2025-37, *An Ordinance of the City Council of the City of Newport Beach, California, Amending Various Provisions of the Newport Beach Municipal Code to Reflect Organizational Restructuring to the City Attorney, Finance, Human Resources, and Public Works Departments;*
- c) Adopt Resolution No.2025-87, *A Resolution of the City Council of the City of Newport Beach, California, Amending Various Provisions of the Newport Beach City Council Policies to Reflect Organizational Restructuring to the City Attorney, Finance, Human Resources, and Public Works Departments;*
- d) Adopt Resolution No.2025-88, *A Resolution of the City Council of the City of Newport Beach, California, Approving a Revised Salary Schedule and New Classifications for the Key & Management Group;*

- e) Approve the following changes to employee positions and assignments: (i) add one administrative services director and one municipal operations director; (ii) eliminate one finance director and one human resources director; (iii) convert one part-time human resources intern to one part-time human resources specialist; (iv) convert one public works crew chief to one management analyst; (v) convert two part-time library clerk II positions to two support services aides; (vi) reassign the positions/personnel as detailed in this staff report, including the transfer of 9.5 full-time equivalent Human Resources Department positions to the Administrative Services Department, 37.45 full-time equivalent Finance Department positions to the Administrative Services Department, 62.5 Public Works Department / Municipal Operations Division positions to the Municipal Operations Department, and three Human Resources positions to the City Attorney's Office;
- f) Approve the Job Descriptions for the administrative services director and municipal operations director in this staff report and authorize the administrative services director to approve new job descriptions consistent with the new positions and departmental changes approved by the City Council;
- g) Authorize the city manager, city attorney, administrative services director, and municipal operations director to execute amendments to existing agreements, as necessary, to implement the organizational changes described herein, including transferring (i) the administration of all agreements related to workers' compensation, insurance and risk management previously administered by the Human Resources Department to the City Attorney's Office; (ii) all remaining agreements entered into by the Human Resources Department to the Administrative Services Department; (iii) all agreements entered into by the Finance Department to the Administrative Services Department; and all agreements entered into by the Public Works Department that pertain to municipal operations to the new Municipal Operations Department; and
- h) Approve Budget Amendment No. 26-045, appropriating \$14,856 in additional expenditures from the General Fund's unappropriated fund balance to fund the costs associated with the recommended position reclassifications.

DISCUSSION:

Municipal Operations

In 2018, the City eliminated its Municipal Operations Department (MOD) and transferred the "general services" maintenance functions and personnel to the Public Works Department.

The Municipal Operations Division is currently responsible for providing general services such as beach maintenance and cleaning, street maintenance, facilities and equipment maintenance, park and landscaping maintenance, refuse collection; City tree maintenance; and graffiti removal. The Public Works Department's engineering division is responsible for City infrastructure planning, engineering and construction; traffic and transportation engineering and operations; public right-of-way / property management;

development review and permitting; water quality; and Capital Improvement Program (CIP) development and management.

In recent years, the City's CIP, a plan for public improvements, special projects, and on-going maintenance programs, has grown in size and complexity, requiring more of Public Works' staff time and resources. At the same time, the City continues to strive to maintain public property and infrastructure throughout the community at a "platinum level," which also requires focused attention, staff time, and resources. To better manage these responsibilities, staff recommends re-establishing a stand-alone Municipal Operations Department, with the municipal operations director reporting to the city manager. The proposed department's responsibilities are listed in the proposed changes to NBMC Title Two (included with Attachment A). The changes would enable the Public Works Department's director and staff to better concentrate their time and expertise on managing and completing the large number of projects and programs in the CIP and engineering services.

Should the City Council approve this change, 62.5 staff positions will be transferred from the Public Works Department to the new Municipal Operations Department. The positions are listed in Attachment D.

Administrative Services

The City's Human Resources and Finance Departments provide a range of internal services to support the operations of every City department. Human Resources is responsible for recruitment and selection, employee benefits, risk management, employee relations, labor relations, training and development, and workers' compensation. The Finance Department is responsible for the City's budget and financial planning, accounting, purchasing and revenue management.

To better align internal services, staff recommends creating a new Administrative Services Department, combining all divisions of the Finance Department with key service areas of the Human Resources Department. The change would improve coordination among staff and strengthen service delivery across the organization.

In addition, staff recommends transferring the risk management and workers' compensation service areas from the Human Resources Department to the City Attorney's Office. This would consolidate the City's claims, liability and loss-prevention functions, streamlining claims handling, strengthening coordination with legal counsel, and supporting proactive risk reduction — ultimately protecting employees, minimizing costs to taxpayers, and safeguarding City resources.

If approved, three staff positions will be transferred from the current Human Resources Department to the City Attorney's Office, and 9.5 full-time equivalent positions will be transferred from the Human Resources Department to the Administrative Services Department. In addition, 37.45 full-time equivalent Finance Department positions will be

transferred to the Administrative Services Department. The proposed position transfers are shown Attachment D.

Revised responsibilities for the administrative services director and the municipal operations director are reflected in Attachment F.

Library Services

Separate from the organizational restructuring, staff is proposing a change to two budgeted positions in the Library Services Department. Staff recommends converting two part-time library clerk II positions to two part-time support services aide positions to better meet the operational needs of the department (Attachment G). If approved, there would be a modest increase in pay rate and the cost is reflected in the proposed budget amendment (Attachment E).

Summary of Recommended City Council Actions

In short, staff recommends that the City Council approve the following:

- An organizational restructuring of City departments that includes the establishment of the Administrative Services & Finance Departments and the Municipal Operations Department, the disestablishment of the Human Resources and Finance Departments and the transfer of risk management and workers' compensation services to the City Attorney's Office
- Ordinance No. 2025-37 which would update the NBMC to reflect the organizational restructuring and references to the new departments and service area changes throughout the Municipal Code
- Resolution No. 2025-87 which would update certain City Council policies to reflect the organizational changes
- Resolution No. 2025-88, to revise the salary schedule and include new classifications in the Key and Management compensation Plan.

FISCAL IMPACT:

The personnel-related changes outlined in this staff report total \$14,856 and include the following position conversions:

- Conversion of one full-time finance director position to one full-time administrative services director position, resulting in no additional cost.
- Conversion of one full-time human resources director position to one full-time municipal operations director position, resulting in no additional cost.
- Conversion of one full-time public works crew chief to a full-time management analyst, resulting in an added cost of \$2,616.
- Conversion of one part-time human resources intern to a part-time human resources specialist, resulting in an added cost of \$8,677.
- Conversion of two part-time library clerk II positions to two part-time support services aide positions, resulting in an added cost of \$3,563.

In addition, there will be costs associated with relocating staff and with the future buildout of workspaces. These costs are expected to fall within the City Manager's contract authority, and existing budget savings can be used to cover them.

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 – Ordinance No. 2025-37

Attachment B –Resolution No. 2025-87

Attachment C- Resolution No. 2025-88

Attachment D- Budgeted Positions per Department

Attachment E- Budget Amendment

Attachment F- Job Descriptions

Attachment G- Summary of New Department Personnel