

CITY OF NEWPORT BEACH

City Council Meeting Minutes Regular Meeting July 8, 2025

I. ROLL CALL – 4:07 p.m.

Present: Mayor Joe Stapleton, Mayor Pro Tem Lauren Kleiman, Councilmember Michelle Barto, Councilmember Noah Blom, Councilmember Robyn Grant, Councilmember Sara J. Weber, Councilmember Erik Weigand

II. CURRENT BUSINESS

III. INVOCATION – Pastor Adam Feichtmann, Redeemer Presbyterian Church

IV. PLEDGE OF ALLEGIANCE – Mayor Stapleton

V. PUBLIC COMMENTS

Interim City Clerk Perry read the announcement concerning public comments for public participation and time limits.

VI. PRESENTATIONS

- Proclamation Recognizing Amelia Jenkins, Mayor for the Day

Mayor Stapleton read a proclamation recognizing Amelia Jenkins as Mayor for the Day that highlighted Amelia's exceptional qualities as a student at Our Lady Queen of Angels School. Mayor Stapleton noted Amelia's participation in various City tours and activities throughout the day, presented the proclamation to Amelia, and invited her for a photo with the City Council.

- Proclamation Recognizing Rick Stein, President and CEO of Arts Orange County (ArtsOC)

Mayor Stapleton read a proclamation recognizing Rick Stein, President and CEO of Arts Orange County (ArtsOC), for his significant contributions to the arts in California and Newport Beach. The proclamation highlighted Stein's leadership in transforming ArtsOC, his role in curating the sculpture exhibition in Civic Center Park, and his recent appointment to the California Arts Council.

Mr. Stein expressed gratitude for the recognition and praised Newport Beach's commitment to arts and culture through its arts commission and programs.

Councilmember Grant expressed her appreciation to Mr. Stein for his service to the arts community.

- History of McFadden Square: Newport's First Downtown by Bill Lobdell

Bill Lobdell presented a PowerPoint presentation and brief history of McFadden Square, Newport Beach's first downtown. He explained the origins of Newport Landing, the relocation of buildings to the peninsula, and the development of the area into a small downtown with various businesses and amenities. Mr. Lobdell highlighted key developments, including the construction of significant buildings and attempts to revitalize the area over the years.

Mayor Stapleton mentioned that he and Councilmember Blom are participating in ongoing efforts to reimagine McFadden Square, with plans for public input and potential improvements in the future.

VII. CITY COUNCIL ANNOUNCEMENTS AND ORAL REPORTS FROM CITY COUNCIL ON COMMITTEE ACTIVITIES

Councilmember Weigand:

- Complimented Utilities Director Mark Vukojevic, whose staff fixed a disruption of a major transmission line that had been broken on July 2 and was repaired by July 4.
- Thanked the City's lifeguards who had 351 rescues on July 4 with a total of 654 rescues through Sunday.
- Noted his attendance at the 11-year memorial of Ben Carlson and spoke of the long-lasting impact of his service to the City.
- Thanked Emergency Services which had a 20% increase in incidents from 2024, managing 77 incidents on July 4 and 183 incidents over the holiday weekend.
- Thanked all public safety personnel for the outstanding work during the Fourth of July weekend, supporting residents and visitors.
- Thanked staff and public safety personnel for their assistance with the Fourth of July Parade in Dover Shores.

Councilmember Barto:

- Attended with Councilmember Weigand, the Santa Ana River Flood Protection Agency (SARFPA) meeting; and went on the Randall Preserve Advisory Committee field trip, an area that has had an increase in homelessness.
- Attended the Mr. Irrelevant 50th Anniversary Lowman Banquet.
- Attended the 58th Annual Newport Beach Arts Exhibition.
- Attended the Relish Event, a relaunch of the Newport Food and Wine Festival, where she presented a proclamation to Chef Jamie Gwen.
- Enjoyed the Fourth of July festivities.

Councilmember Grant:

- Thanked public safety staff for their work during the holiday weekend.
- Attended the 23rd annual Women in Government Lunch where women who have served on Boards, Commissions, and Committees as well as elected officials and staff gather; and especially thanked Deborah Moore, Ashley Johnson, Kay Walker, and Kathy Harrison for their service.
- Attended the 58th Annual Newport Beach Arts Exhibition and thanked library staff, the City Arts Commission and the Arts Foundation volunteers for their work.

Mayor Pro Tem Kleiman:

- Thanked the Fire Department for their annual parade in her neighborhood.
- Attended annual Orange County Council of Governments (OCCOG) budget meeting
- Attended the Sober Living Task Force meeting where testimonies were given and insight gleaned on the complications related to sober living efforts.
- Attended Ben Carlson Day at the Junior Lifeguards Building.

Mayor Stapleton

- Attended the Employee Service Awards luncheon and thanked Chief Boyles and John Pope for their efforts.
- Attended the Junior Guards Week Picnic.
- Attended the Mr. Irrelevant 50th Anniversary Lowman Banquet.
- Attended 58th Annual Newport Beach Arts Exhibition.
- Attended Ben Carlson Day and enjoyed the Fly Over in memoriam of Ben Carlson.
- Joined a Sea Watch shift where there are typically numerous rescues.
- Attended the 14th Annual 4th of July is for Families Newport Peninsula Bike Parade and Festival.
- Attended the American Legion Old Glory Boat Parade.
- Expressed appreciation to all of the first responders over the Fourth of July weekend.
- Noted the 5-acre small fire in Laguna Beach was quickly extinguished with the assistance of local fire departments.
- Announced that he will be attending the Ad Hoc Committee on Utilization of Lower Castaways and Aquatic Center Site Options meeting on Thursday at 3:00 pm.

VIII. MATTERS WHICH COUNCILMEMBERS HAVE ASKED TO BE PLACED ON A FUTURE AGENDA (NON DISCUSSION ITEM)

None.

IX. CONSENT CALENDAR

Mayor Stapleton asked if the City Council had any requests to remove items from the Consent Calendar. Mayor Pro Tem Kleiman requested Agenda Item 12 be removed.

Mayor Stapleton asked for a motion for the Consent Calendar. **A motion by Mayor Pro Tem Kleiman with a second by Councilmember Barto was offered.**

Mayor Stapleton noted that Agenda Item No. 5, *Resolution No. 2025 42: Adopting a Memorandum of Understanding with the Newport Beach Police Management Association and the Associated Salary Schedule*, required a report to be provided.

Tara Finnigan, Assistant City Manager, provided a brief report on Agenda Item 5 that provided the proposed amendments included in the MOU related to the Police Chief and Assistant Police Chief's salary and benefit increases.

PUBLIC COMMENTS ON CONSENT CALENDAR

Eplanet Thunderstriker spoke on infractions in the cities of Irvine and Newport Beach; and noted concerns related to famous entertainers.

Adam Leverenz spoke on Item 6, *Resolution No. 2025 43: Requesting a CalPERS Contract Amendment to Eliminate Section 20516(a) Cost Sharing for Citywide Miscellaneous Tier I Employees*, noting low pension contributions by employees; stated that employees should be participating in their pension costs; and the City of Newport Beach is a great place to work.

READING OF MINUTES AND ORDINANCES

1. Minutes for the June 24, 2025 City Council Meeting

Waive reading of subject minutes, approve as written, and order filed.

2. Reading of Ordinances

Waive reading in full of all ordinances under consideration and direct the City Clerk to read by title only.

RESOLUTIONS FOR ADOPTION

3. Resolution No. 2025-40: Medi Cal Managed Care Rate Range Intergovernmental Transfer (IGT) Program for Cost Recovery of Emergency Medical Services for Calendar Year 2024

- 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 No. 2025 40, *A Resolution of the City Council of the City of Newport Beach, California, Authorizing Execution Of The Intergovernmental Agreement Regarding Transfer Of Public Funds With The Department Of Health Care Services (DHCS), And The Health Plan Provider Agreement With CalOptima, To Participate In The Medi Cal Rate Range Intergovernmental Transfer (IGT) Program*;
- c) Authorize the Mayor and City Clerk to execute the Intergovernmental Agreement Regarding Transfer of Public Funds with the California Department of Health Care Services;
- d) Authorize the Mayor and City Clerk to execute the Health Plan Provider Agreement Intergovernmental Transfer Rate Range Program Agreement with CalOptima; and
- e) Approve Budget Amendment No. 26 003 appropriating \$164,746 in increased expenditures in account 01040404 821008 (IGT) from the General Fund unappropriated fund balance and increasing revenue estimates related to the Medi Cal IGT program by \$390,507 in Account No. 01040404 431246.

4. Resolution No. 2025 41: Adopting a Memorandum of Understanding with the Newport Beach Professional and Technical Employees Association and Associated Salary Schedule

- 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.

5. Resolution No. 2025 42: Adopting a Memorandum of Understanding with the Newport Beach Police Management Association and the Associated Salary Schedule

- 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 No. 2025 42, *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 City of Newport Beach Police Management Association and Amending the Salary Schedule for the Association Unit members, Police Chief, and Assistant Police Chief*; and
- c) Approve Budget Amendment No. 26 005 appropriating \$1,693,275 in increased expenditures in various City division salary and benefit accounts from unappropriated General Fund balance.

6. **Resolution No. 2025 43: Requesting a CalPERS Contract Amendment to Eliminate Section 20516(a) Cost Sharing for Citywide Miscellaneous Tier I Employees**
- 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) Adopt Resolution No. 2025 43, *A Resolution of the City Council of the City of Newport Beach, California, Requesting the California Public Employees' Retirement System (CalPERS) Amend the Contract Between the City of Newport Beach and the Board of Administration of CalPERS to Reduce or Eliminate Cost Sharing Pursuant to Government Code Section 20516(A) for City Miscellaneous Tier I Employees Citywide.*

CONTRACTS AND AGREEMENTS

7. **Approval of a Professional Services Agreement with Arts Orange County to Manage Phase X of the Sculpture Exhibition in Civic Center Park**
- 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) Approve a Professional Services Agreement with Arts Orange County for project management of Phase X of the Sculpture Exhibition in Civic Center Park for a total amount not to exceed \$135,080 and authorize the Mayor and City Clerk to sign the agreement.
8. **Irrigation Controller Replacement Phase 2 Notice of Completion for Contract No. 9735 1 (25P02)**
- a) Accept the completed work and authorize the City Clerk to file a Notice of Completion for the project.
9. **Tentative Memorandum of Understanding with Newport Beach Lifeguard Management Association (NBLMA)**
- 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 Lifeguard Management Association.
10. **Tentative Memorandum of Understanding with Newport Beach Fire Management Association (NBFMA)**
- 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 Fire Management Association.
11. **Draft Revisions to the Newport Beach Key and Management Compensation Plan (K&M)**
- 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 revised Key and Management Compensation Plan.
12. **Removed from Consent Calendar**
13. **Professional Services Agreements for Building Safety Related Services with VCA Code, Jlee Engineering, Inc., CSG Consultants, and Bureau Veritas North American Inc.**
- 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) Approve and authorize the Mayor and City Clerk to execute a three year professional services agreement with The Code Group, dba VCA Code, with a not to exceed the amount of \$500,000, in a form substantially similar to the agreement attached to the staff report;
- c) Approve and authorize the Mayor and City Clerk to execute a three year professional services agreement with JLee Engineering, Inc. with a not to exceed the amount of \$620,000, in a form substantially similar to the agreement attached to the staff report.
- d) Approve and authorize the Mayor and City Clerk to execute a three year professional services agreement with CSG Consultants, Inc. with a not to exceed the amount of \$500,000, in a form substantially similar to the agreement attached to the staff report; and
- e) Approve and authorize the Mayor and City Clerk to execute a three year professional services agreement with Bureau Veritas North America Inc. with a not to exceed amount of \$500,000, in a form substantially similar to the agreement attached to the staff report.

14. General Plan Update Steering Committee (GPUSC) Bi Monthly Update to the City Council

- 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 file the report.

MISCELLANEOUS

15. Planning Commission Agenda for the July 3, 2025 Meeting

- a) Receive and file

Motion by Mayor Pro Tem Kleiman, seconded by Councilmember Barto to approve the Consent Calendar, including the Minutes as amended (Agenda Item No. 1), and excluding Agenda Item 12, School Resource Officer Program Agreement.

The motion carried 7-0.

XI. ITEMS REMOVED FROM THE CONSENT CALENDAR

12. School Resource Officer Program Agreement

- a) Determine that the 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 it will not result in a physical change to the environment, directly or indirectly; and
- b) Approve the agreement between the City of Newport Beach and Newport Mesa Unified School District to participate in the School Resource Officer Program and authorize the Mayor and City Clerk to execute the agreement on behalf of the City of Newport Beach.

Mayor Pro Tem Kleiman had requested that Agenda Item No. 12, *School Resource Officer Program Agreement*, be removed from the Consent Calendar for further discussion.

Mayor Pro Tem Kleiman expressed support for the School Resource Officer (SRO) program agreement, including the financial support, but raised concerns about the lack of provisions for a robust modern camera system on school campuses that would allow for real-time access for the Police Department in the event of an emergency. Mayor Pro Tem Kleiman invited the school district to continue good faith negotiations on this issue.

Police Chief Miner, accompanied by Police Sergeant Jenny Kresge, confirmed the department's support for having access to school cameras, noting it would be consistent with the City's efforts to expand its technology footprint for improved incident response times.

Councilmember Barto mentioned ongoing work by the school district to implement a camera system, with expectations for it to be online by late August or early September.

Councilmember Weber expressed support for the SRO program, emphasizing the importance of providing officers with all necessary resources, including cameras, to keep students safe.

Councilmember Grant noted that discussions were ongoing between the Police Department and the school district regarding camera integration; that concerns appeared to be a timing issue; and she anticipated further discussions with the school district.

Assistant City Manager Finnigan announced that there was a recent development with the school district that included a draft MOU that was focused on security cameras.

Councilmember Blom noted that he was in support of the SRO Program; that the City needs to ensure that the Police Department is provided the very best resources in order to protect children's safety; and that the City needs to determine that an MOU is moving forward.

PUBLIC COMMENTS ON ITEMS REMOVED FROM THE CONSENT CALENDAR

Eplanet Thunderstriker questioned the need for cameras.

Ruth Kobayashi expressed gratitude for the City's continued support of school safety through the SRO program and praised the quality of the officers involved.

Motion by Mayor Pro Tempore Kleiman, seconded by Councilmember Barto, to a)
Determine that the 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 it will not result in a physical change to the environment, directly or indirectly; and b)
Approve the agreement between the City of Newport Beach and Newport Mesa Unified School District to participate in the School Resource Officer Program and authorize the Mayor and City Clerk to execute the agreement on behalf of the City of Newport Beach.

The motion carried 7-0.

XII. PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

Eplanet Thunderstriker spoke on his submittal of documents to the City related to infractions and issues.

Jim Mosher raised concerns about a scheduling conflict between two committee meetings including the Ad Hoc Committee on Utilization of Lower Castaways and Aquatic Center Site Options meeting and the Water Quality/ Coastal Tidelands Committee set for the same time on Thursday. He suggested rescheduling one of the meetings to allow for public and councilmember participation at both.

XIII. PUBLIC HEARING

16. Ordinance 2025 11: Amending Section 9.04.470 (Local Agency Very High Fire Hazard Severity Zone) To Adopt the 2025 Moderate, High, and Very High Fire Hazard Severity Zones, As Designated By The California Department of Forestry and Fire Protection and Pursuant to California Government Code Section 51178

- a) Conduct a public hearing;
- b) 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
- c) Waive full reading, direct the City Clerk to read by title only, introduce Ordinance No. 2025 11, *An Ordinance of the City Council of the City of Newport Beach, California, Amending Section 9.04.470 (Local Agency Very High Fire Hazard Severity Zone) To Adopt the 2025 Moderate, High, and Very High Fire Hazard Severity Zones, As Designated By The California Department of*

Forestry And Fire Protection And Pursuant to California Government Code Section 51178; and pass to a second reading on July 22, 2025.

Mayor Stapleton asked whether there were any conflicts of interest to be announced by his colleagues. Citing conflict of interests, Councilmembers Grant, Weber and Mayor Pro Tem Kleiman recused themselves from the dais.

Fire Chief Jeff Boyles and Fire Marshal James Gillespie presented information on the new fire hazard severity zone maps created by the state. He explained the history of the mapping process, the limitations on local input, and the implications for properties in different zones. Fire Marshall Gillespie noted that the number of parcels in fire hazard zones would increase from 2,825 to 6,238.

Councilmember Weigand noted the need for policy makers to remain cognizant of fire danger, and noted the City has been outstanding in its use of technology related to fire management.

Mayor Stapleton opened the public hearing at 5:15 p.m.

PUBLIC COMMENTS

Adam Leverenz questioned how the maps reflect parcels and the definition of said parcels.

Hearing no further requests to speak, Mayor Stapleton closed the public hearing at 5:16 p.m.

Motion by Councilmember Weigand, seconded by Councilmember Barto, to 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) Waive full reading, direct the City Clerk to read by title only, introduce Ordinance No. 2025 11, An Ordinance of the City Council of the City of Newport Beach, California, Amending Section 9.04.470 (Local Agency Very High Fire Hazard Severity Zone) To Adopt the 2025 Moderate, High, and Very High Fire Hazard Severity Zones, As Designated By The California Department of Forestry And Fire Protection And Pursuant to California Government Code Section 51178; and pass to a second reading on July 22, 2025.

The motion carried 4-0-3, Councilmembers Barto, Blom, Weigand, and Stapleton in favor; Councilmembers Grant, Weber, and Mayor Pro Tem Kleiman recused.

XIV. CURRENT BUSINESS

17. Fourth Amended and Restated Employment Agreement for City Manager

- 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) Approve and authorize the Mayor to execute a Fourth Amended and Restated Employment Agreement between the City of Newport Beach and City Manager Grace K. Leung, subject to the terms and conditions approved by the City Council; and
- c) Approve Budget Amendment No. 26 006 appropriating \$455,371.65 from unappropriated General Fund balance to various salary and benefit accounts to implement the terms of the Agreement for FY 2025 2026.

Mayor Stapleton noted that City Manager Leung was at jury duty and was not able to attend the meeting.

City Attorney Harp, presented the staff report and provided the proposed amendments to the agreement detailing changes to salary, bonuses, benefits, and severance terms as follows:

Term: A term from July 8, 2025, through December 26, 2025.

1. Base Salary and Adjustments: An annual Base Salary of \$345,782 (same as her current base salary), which would be adjusted by the same percentage salary schedule/cost-of-living

adjustment, if any, approved by the City Council for Management Employees, as outlined in the Compensation Plan. For instance, if the Management Employees receive a cost-of-living adjustment of 5% after July 8, 2025, the City Manager's base salary will increase by 5%.

2. Performance Bonus: A bi-weekly performance bonus of 2.5% of her base salary, as adjusted, as well as a separate lump sum performance bonus of 2.5% of her annual base salary, as adjusted, payable on the next normal payday that includes December 26, 2025.
3. Annual Physical Exam: An annual physical exam of \$1,250, which is the same as her current allowance.
4. Phone Allowance: A Phone Allowance that is equal to the phone allowance provided to any Management Employees, which is the same as her current allowance.
5. Auto Allowance: An Auto Allowance of \$500 per month, which is the same as her current allowance.
6. Deferred Compensation: A City contribution to her 401(a) defined contribution plan that is equal to the current adjusted total contribution limit under section 415(c)(1)(A) in effect for calendar year 2025 (currently \$70,000).
7. CalPERS Contribution: An initial CalPERS contribution of 11.5% (tied to the same formula or percentage contribution as is applied to the Tier II non-safety members of the Key & Management Group covered under the Compensation Plan and for the same duration). For instance, if the Management Employees CalPERS contribution is reduced from 11.5% to 8% after July 8, 2025, the City Manager's CalPERS contribution will decrease to 8%.
8. Severance Benefit: A severance provision that generally provides that if the City Manager does not resign before the end of the term and the Fourth Amended Agreement is not terminated for cause, the City will pay her severance equal to her annual base salary in effect on December 26, 2025, Auto Allowance, Phone Allowance, the applicable City's annual flexible spending account cafeteria contribution in effect as of December 26, 2025, and Twenty-Four Thousand Dollars (\$24,000.00), all of which is contingent on the City Manager taking certain required actions.

PUBLIC COMMENTS:

Jim Mosher expressed concerns related to Section 7A, the Separation and Release Agreement, that was dated July 8 and noted that he would like to see documentation; spoke to Section 6, regarding "at will" employment; stated that the City could be paying two city managers at one time; noted that the City Manager compensation was irresponsible; and questioned why the City was paying out the City Manager's contract.

Adam Leverenz spoke on public employee compensation; mentioned the ability to see full salary and benefit amounts on transparentcalifornia.com, and questioned the additional benefits in Ms. Leung's agreement.

Motion by Mayor Stapleton, seconded by Councilmember Blom, to 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) Approve and authorize the Mayor to execute a Fourth Amended and Restated Employment Agreement between the City of Newport Beach and City Manager Grace K. Leung, subject to the terms and conditions approved by the City Council; and c) Approve Budget Amendment No. 26 006 appropriating \$455,371.65 from unappropriated General Fund balance to various salary and benefit accounts to implement the terms of the Agreement for FY 2025 2026.

Motion passed 7-0.

CLOSED SESSION REPORT

Mayor Stapleton provided the Closed Session report from the Special Meeting including an expression of gratitude to City Manager Leung who announced her retirement after over 30 years of dedicated public service and whose contributions to the City were innumerable and would leave a lasting impact. Mayor Stapleton thanked City Manager Leung for agreeing to extend her retirement to December 26, 2025, ensuring a smooth transition.

Mayor Stapleton further announced the appointment of Seimone Jurjis, Assistant City Manager, who has served the City of Newport Beach since 2011 in several key leadership roles. Assistant City Manager. Jurjis will assume his duties as City Manager on December 27, 2025.

Councilmember Grant noted that a smooth succession plan was in place and looked forward to working with new leadership.

18. Eighth Amended and Restated Employment Agreement for City Attorney

- 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) Approve and authorize the Mayor to execute the Eighth Amended and Restated Employment Agreement between the City of Newport Beach and City Attorney Aaron C. Harp, subject to the terms and conditions approved by the City Council;
- c) Adopt Resolution No. 2025 44, A Resolution of the City Council of the City of Newport Beach, California, Amending the Salary Schedule and Adopting a New Salary Range for the City Attorney; and
- d) Approve Budget Amendment No. 26 007, appropriating \$30,512 from unappropriated General Fund balance to various salary and benefit accounts to implement the terms of the Agreement for FY 2025 2026.

City Attorney Harp recused himself citing financial interests related to the proposed agreement.

Assistant City Manager Finnigan, presented the staff report and noted the proposed amendments to the Eighth Amended and Restated Employment Agreement for City Attorney, which were as follows:

1. Term: A term from July 8, 2025, through December 30, 2028.
2. Base Salary and Adjustments: An annual Base Salary of \$322,752, which would be adjusted by the same percentage salary schedule/cost-of-living adjustment, if any, approved by the City Council for Management Employees, as outlined in the Compensation Plan. For instance, if the Management Employees receive a cost-of-living adjustment of 5% after July 8, 2025, the city attorney's base salary will increase by 5%.
3. Performance Bonus: A lump sum performance bonus of 2.5% of his base salary, as adjusted, payable on the next normal payday that includes December 26, 2025, and annually thereafter.
4. Phone Allowance: A Phone Allowance that is equal to the phone allowance provided to any Management Employees, which is the same as his current allowance.
5. Automobile Allowance: An Auto Allowance of \$500 per month, which is the same as his current allowance.
6. Deferred Compensation: A City paid contribution to his 401(a) defined contribution plan in an annual amount that is equal to half of the current adjusted total contribution limit under section 415(c)(1)(A) in effect. For calendar year 2025, the total City paid contribution will be \$35,000.
7. CalPERS Contribution: An initial CalPERS contribution of 11.5% (tied to the same formula or percentage contribution as is applied to the Tier 1 non-safety members of the Key & Management Group covered under the Compensation Plan and for the same duration). For

instance, if the Management Employees CalPERS contribution is reduced from 11.5% to 8% after July 8, 2025, the city attorney's CalPERS contribution will decrease to 8%.

8. Severance Benefit: A severance provision that generally provides that if the city attorney does not resign before the end of the term and the Eighth Amended Agreement is not terminated for cause, the City will pay his severance equal to his annual base salary times 12 or the number of months left on the unexpired term of the contract, whichever is less.

PUBLIC COMMENTS

Jim Mosher noted that when contracts are negotiated during Closed Session, the public cannot participate; expressed concerns related to the length of paid severance in this agreement; and noted the automatic performance bonus reflected in the agreement was not tied to performance.

Motion by Mayor Stapleton, seconded by Councilmember Blom, to 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) Approve and authorize the Mayor to execute the Eighth Amended and Restated Employment Agreement between the City of Newport Beach and City Attorney Aaron C. Harp, subject to the terms and conditions approved by the City Council; c) Adopt Resolution No. 2025 44, A Resolution of the City Council of the City of Newport Beach, California, Amending the Salary Schedule and Adopting a New Salary Range for the City Attorney; and d) Approve Budget Amendment No. 26 007, appropriating \$30,512 from unappropriated General Fund balance to various salary and benefit accounts to implement the terms of the Agreement for FY 2025 2026.

XV. MOTION FOR RECONSIDERATION – None

XVI. ADJOURNMENT AT 5:35 P.M. IN MEMORIAM – RAE COHEN

Mayor Stapleton asked Councilmember Grant to provide commemorative comments in memory of the Celebrate Newport legacy, Ms. Rae Cohen, that will live on.

Councilmember Grant provided reflections of Ms. Cohen's many contributions and accolades as a Newport Beach resident of 60 years; thanked the family in attendance for joining them in memorializing Ms. Cohen; and noted that services will be held on Friday, July 11 at 10:00 a.m. at Pacific View Memorial Park in Corona del Mar.

The agenda was posted on the City's website and on the City Hall electronic bulletin board located in the entrance of the City Council Chambers at 100 Civic Center Drive, Newport Beach, on July 3, 2025, at 11:30 a.m.

Joe Stapleton
Mayor

Molly Perry
Interim City Clerk