

Attachment A

Resolution No. 2026-__

RESOLUTION NO. 2026- __

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF NEWPORT BEACH, CALIFORNIA, APPROVING A
SIDE LETTER AGREEMENT BETWEEN THE CITY OF
NEWPORT BEACH AND THE NEWPORT BEACH FIRE
MANAGEMENT ASSOCIATION RELATED TO HOLIDAY
IN LIEU PAY**

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 June 14, 2022, the City Council adopted Resolution No. 2022-39 approving a Memorandum of Understanding ("MOU – 2022") between the City and the Newport Beach Fire Management Association ("NBFMA"), with a term of July 1, 2022, through June 30, 2026;

WHEREAS, in the MOU – 2022, the City and NBFMA negotiated and adopted Holiday In-Lieu Pay for eligible Association Safety Members who occupy positions requiring scheduled staffing without regard to holidays, in lieu of observing certain holidays, as set forth in the MOU - 2022 under Section 3 (LEAVES), Subsection (B) (Holiday Time), Subsection (1) (Accrual);

WHEREAS, on July 22, 2025, the City Council adopted Resolution No. 2025-46 approving a Memorandum of Understanding ("MOU – 2025") between the City and NBFMA, with a term of July 1, 2025, through June 30, 2028;

WHEREAS, in the MOU – 2025, the City and NBFMA negotiated and adopted Holiday In-Lieu Pay for eligible Association Safety Members who occupy positions requiring scheduled staffing without regard to holidays, in lieu of observing certain holidays, as set forth in the MOU - 2025 under Section 3 (LEAVES), Subsection (C) (HOLIDAY TIME), Subsection (1) (Holiday In Lieu Pay – Safety Members);

WHEREAS, the City and NBFMA desire to clarify the method by which Holiday In-Lieu Pay is calculated, including the annual holiday hours represented by the negotiated biweekly payments, the prorated calculation applicable to Safety Members, and the specific holidays for which the Holiday In-Lieu Pay is provided;

WHEREAS, the City and NBFMA further desire to clarify that the Holiday In-Lieu Pay is intended to compensate eligible Safety Members who are normally required to work on approved holidays because they occupy positions requiring scheduled staffing without regard to holidays, and that, to the extent permitted by law, such compensation is intended to constitute pensionable Holiday Pay reportable as special compensation pursuant to Title 2, California Code of Regulations, sections 571(a)(5) and 571.1(b)(4); and

WHEREAS, the City Council desires to enter into a Side Letter of Agreement between the City and NBFMA to clarify and memorialize the existing Holiday In-Lieu Pay benefit and the methodology used to calculate that benefit.

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 City Council authorizes the Mayor to execute any modifications to the Side Letter required by CalPERS, provided such modifications are consistent with the intent of the Resolution and approved as to form by the City Attorney. 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 28th day of July, 2026.

Lauren Kleiman
Mayor

ATTEST:

Lena Shumway
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 NBFMA

EXHIBIT A

SIDE LETTER OF AGREEMENT BETWEEN THE CITY OF NEWPORT BEACH AND THE NEWPORT BEACH FIRE MANAGEMENT ASSOCIATION

This Side Letter of Agreement ("Side Letter") is made and entered into this 28th day of July 2026, by and between the City of Newport Beach ("City") and the Newport Beach Fire Management Association ("Association") (collectively "Parties") with respect to the following:

WHEREAS, on June 14, 2022, the City Council adopted Resolution No. 2022-39 approving a Memorandum of Understanding ("MOU – 2022") between the Parties, with a term of July 1, 2022, through June 30, 2026;

WHEREAS, in the MOU – 2022, the Parties negotiated and adopted Holiday In-Lieu Pay for eligible Association Safety Members who occupy positions requiring scheduled staffing without regard to holidays, in lieu of observing certain holidays, as set forth in the MOU - 2022 under Section 3 (LEAVES), Subsection (B) (Holiday Time), Subsection (1) (Accrual);

WHEREAS, on July 22, 2025, the City Council adopted Resolution No. 2025-46 approving a Memorandum of Understanding ("MOU – 2025") between the Parties, with a term of July 1, 2025, through June 30, 2028;

WHEREAS, in the MOU – 2025, the Parties negotiated and adopted Holiday In-Lieu Pay for eligible Association Safety Members who occupy positions requiring scheduled staffing without regard to holidays, in lieu of observing certain holidays, as set forth in the MOU - 2025 under Section 3 (LEAVES), Subsection (C) (HOLIDAY TIME), Subsection (1) (Holiday In Lieu Pay – Safety Members);

WHEREAS, the Parties desire to clarify the method by which Holiday In-Lieu Pay is calculated, including the annual holiday hours represented by the negotiated biweekly payments, the prorated calculation applicable to Safety Members, and the specific holidays for which the Holiday In-Lieu Pay is provided;

WHEREAS, the Parties further desire to clarify that the Holiday In-Lieu Pay described herein is intended by the Parties to compensate eligible Safety Members who are normally required to work on approved holidays because they occupy positions requiring scheduled staffing without regard to holidays, and that, to the extent permitted by law, such compensation is intended by the

Parties to constitute pensionable Holiday Pay reportable as special compensation pursuant to Title 2, California Code of Regulations, sections 571(a)(5) and 571.1(b)(4);

WHEREAS, the Parties acknowledge that this Side Letter is intended to clarify and memorialize the existing Holiday In-Lieu Pay benefit and the methodology used to calculate that benefit, and is not intended to create a new benefit or increase the amount of Holiday In-Lieu Pay previously negotiated by the Parties; and

WHEREAS, this Side Letter 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 as follows:

Section 1: The Parties hereby acknowledge and confirm that MOU – 2022, Section 3 (LEAVES), Subsection (B) (Holiday Time), Subsection (1) (Accrual) shall be interpreted as follows:

“The provisions of this subsection shall apply to all NBFMA Safety members on a pro-rata basis. All NBFMA Safety members work in positions that require scheduled staffing without regard to holidays. Accordingly, in lieu of observing the holidays identified below, effective July 1, 2022, Safety Line employees shall receive holiday in-lieu pay equal to the value of 5.54 hours per pay period, and Safety Staff employees shall receive holiday in-lieu pay equal to the value of 3.96 hours per pay period.

The holiday in-lieu pay provided under this subsection compensates eligible employees for the following six holidays:

- Martin Luther King Jr. Day;
- Independence Day;
- Labor Day;
- Veterans Day;
- Thanksgiving Day; and
- Christmas Day

For Safety Line members assigned to a 112-hour biweekly work schedule, the annual holiday benefit is based on six (6) holidays at twenty-four (24) hours per holiday, for a total annual holiday-in-lieu pay equal to the value of one hundred forty-four (144) hours, which is paid biweekly at the dollar equivalent of 5.54 hours per pay period.

For Safety Staff members assigned to an 80-hour bi-weekly work schedule, the annual holiday benefit is prorated based on the ratio of the Safety Staff work schedule (80 hours biweekly) to the Safety Line work schedule (112 hours biweekly).

$$\text{Conversion Factor for Safety Staff} = 80 \text{ hours} / 112 \text{ hours} = 0.714$$

$$\begin{aligned} \text{Conversion Factor Applied to Safety Line Holiday Pay} &= \\ 0.714 \times 5.54 \text{ hours} &= 3.96 \text{ hours} \end{aligned}$$

$$\text{Safety Staff Holiday-in-Lieu Pay} = 3.96 \text{ hours biweekly}$$

Accordingly, for Safety Staff, biweekly holiday-in-lieu pay is equivalent to the dollar value of 3.96 hours per pay period, representing the negotiated prorated equivalent of the holiday benefit provided to Safety Line members. This translates to a total annual holiday-in-lieu pay for Safety Staff equal to the dollar value of 102.96 hours for the six (6) holidays at 17.16 hours per holiday.

Holiday pay shall be paid biweekly with the regular paycheck. The parties agree that, to the extent permitted by law, the compensation provided under this subsection is intended by the Parties to constitute special compensation for employees who are normally required to work on approved holidays because they occupy positions requiring scheduled staffing without regard to holidays and shall be reported as Holiday Pay pursuant to Title 2, California Code of Regulations, sections 571(a)(5) and 571.1(b)(4)."

Section 2: MOU – 2025, Section 3 (LEAVES), Subsection (C) (HOLIDAY TIME), Subsection (1) (Holiday In Lieu Pay – Safety Members) is hereby be amended to read as follows:

"The provisions of this subsection shall apply to all NBFMA Safety members on a pro-rata basis. All NBFMA Safety members work in positions that require scheduled staffing without regard to holidays. Accordingly, in lieu of observing the holidays identified below,

effective July 12, 2025, Safety Line employees shall receive holiday in-lieu pay equal to the value of 7.38 hours per pay period, and Safety Staff employees shall receive holiday in-lieu pay equal to the value of 5.26 hours per pay period.

The holiday in-lieu pay provided under this subsection compensates eligible employees for the following eight holidays:

- New Year's Day;
- Martin Luther King Jr. Day;
- Memorial Day;
- Independence Day;
- Labor Day;
- Veterans Day;
- Thanksgiving Day; and
- Christmas Day

For Safety Line members assigned to a 112-hour biweekly work schedule, the annual holiday benefit is based on eight (8) holidays at twenty-four (24) hours per holiday, for a total annual holiday-in-lieu pay equal to the value of one hundred ninety-two (192) hours, which is paid biweekly at the dollar equivalent of 7.38 hours per pay period.

For Safety Staff members assigned to an 80-hour bi-weekly work schedule, the annual holiday benefit is prorated based on the ratio of the Safety Staff work schedule (80 hours biweekly) to the Safety Line work schedule (112 hours biweekly).

Conversion Factor for Safety Staff = 80 hours / 112 hours = 0.714

Conversion Factor Applied to Safety Line Holiday Pay =
 $0.714 \times 7.38 \text{ hours} = 5.26 \text{ hours}$

Safety Staff Holiday-in-Lieu Pay = 5.26 hours biweekly

Accordingly, for Safety Staff, biweekly holiday-in-lieu pay is equivalent to the dollar value of 5.26 hours per pay period, representing the negotiated prorated equivalent of the holiday benefit provided to Safety Line members. This translates to a total annual holiday-in-lieu pay for Safety Staff equal to the dollar value of 136.76 hours for the eight (8) holidays at 17.09 hours per holiday.

Holiday pay shall be paid biweekly with the regular paycheck. The parties agree that, to the extent permitted by law, the compensation

provided under this subsection constitutes special compensation for employees who are normally required to work on approved holidays because they occupy positions requiring scheduled staffing without regard to holidays and shall be reported as Holiday Pay pursuant to Title 2, California Code of Regulations, sections 571(a)(5) and 571.1(b)(4)."

Section 3: 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.

Signatures on the next page

Executed this 28th day of July 2026

FOR THE NEWPORT BEACH FIRE MANAGEMENT
ASSOCIATION:

BY: Brian McDonough
Brian McDonough, NBFMA President

FOR THE CITY OF NEWPORT BEACH:

BY: _____
Lauren Kleiman, Mayor of Newport Beach

CITY OF NEWPORT BEACH
APPROVED AS TO FORM:

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

ATTEST:

BY: Lena Shumway, City Clerk