



NEWPORT BEACH

City Council Staff Report

June 9, 2026
Agenda Item No.9

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Resolution No. 2026-39: Modifying Salary Schedules and Approving
Amendments to the Employment Agreements for the Police Chief
and Fire Chief

ABSTRACT:

The proposed resolution modifies the salary schedules for the Police Chief and Fire Chief classifications and authorizes the City Manager to execute Second Amended and Restated Employment Agreements for both positions. The proposed compensation adjustments are based on the results of a compensation study conducted for the Police Chief position pursuant to the Police Chief's employment agreement, as well as a review of compensation compaction concerns affecting executive public safety leadership positions.

The City Manager reviewed internal compensation relationships, market conditions and organizational structure considerations affecting executive public safety leadership positions, including salary compression and compaction issues. Based on this review, the City Manager recommends compensation adjustments for the Police Chief and Fire Chief to maintain appropriate compensation differentials between executive leadership positions and subordinate classifications, support recruitment and retention efforts, promote succession planning, and ensure operational continuity.

The proposed compensation adjustments include a total increase of 5.25% for both the Police Chief and Fire Chief classifications.

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; and
- b) Adopt Resolution No. 2026-39, *A Resolution of the City Council of the City of Newport Beach, California, Adopting a Modified Salary Schedule for the Police Chief and Fire Chief and Authorizing the City Manager to Execute Amendments to the Police and Fire Chief Employment Agreements.*

DISCUSSION:

Police Chief Compensation Study

The Police Chief's First Amended and Restated Employment Agreement, effective February 25, 2025, provides that the City conduct a compensation survey for the position of Police Chief by February 26, 2026, utilizing the comparator agencies approved by the City Council on November 19, 2024. The employment agreement further provides that if the compensation survey indicates that the Police Chief's base salary is below average among comparator agencies, the City Manager shall propose an increase to the salary schedule for the position that reflects the comparator agency salary range data.

The compensation survey was completed in accordance with the employment agreement requirements. The survey results indicated that compensation adjustments were warranted to maintain competitive market positioning and address internal equity considerations.

Fire Chief Compensation Review

As part of the compensation review process, the City Manager also evaluated the Fire Chief position to assess salary compression concerns. The City Manager considered internal compensation relationships, market conditions and organizational structure considerations affecting executive public safety leadership positions.

The review determined that compensation adjustments for both executive public safety leadership positions are appropriate to maintain organizational alignment and appropriate compensation differentials between executive leadership positions and subordinate classifications.

Recommended Compensation Adjustments

The City Manager recommends a total compensation adjustment of 5.25% for both the Police Chief and Fire Chief positions.

The proposed compensation adjustment for the Police Chief consists of:

- A 1.25% equity adjustment; and
- Extension of the Special Leadership Compensation Pay, equal to 4% of base salary.

Employees represented by the Newport Beach Police Management Association currently receive Special Leadership Compensation Pay. Extending this compensation component to the Police Chief is necessary to address salary compaction and maintain internal equity between executive leadership and subordinate management classifications.

The proposed compensation adjustment for the Fire Chief consists of:

- A 2.25% equity adjustment; and
- Extension of California State Chief Fire Officer Certification Pay, equal to 3% of base salary.

Employees represented by the Newport Beach Fire Management Association currently receive Chief Fire Officer Certification Pay. Extending this compensation component to the Fire Chief is necessary to address salary compaction and maintain internal equity between subordinate management classifications.

The proposed resolution modifies the salary schedules for the Police Chief and Fire Chief positions and authorizes the City Manager to execute amended employment agreements consistent with these compensation adjustments.

FISCAL IMPACT:

The annualized fiscal impact associated with the proposed 5.25% compensation adjustment for the Fire Chief position is approximately \$22,758.

The annualized fiscal impact associated with the proposed 5.25% compensation adjustment for the Police Chief position is approximately \$23,396.

Funding for these proposed compensation adjustments is included in the proposed Fiscal Year 2026-27 budget.

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).

ATTACHMENT:

Attachment A – Resolution No. 2026-39