



**CITY OF**

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# **NEWPORT BEACH**

## **City Council Staff Report**

July 8, 2025  
Agenda Item No. 5

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** Grace K. Leung, City Manager - 949-644-3001,  
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**TITLE:** Resolution No. 2025-42: Adopting a Memorandum of Understanding with the Newport Beach Police Management Association (NBPMA) and Associated Salary Schedule

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**ABSTRACT:**

The Tentative Agreement regarding a Memorandum of Understanding (MOU) between the City of Newport Beach and the Newport Beach Police Management Association (NBPMA or Association) was presented at the City Council's June 24, 2025, regular meeting to provide the City Council and the community an opportunity to consider the terms and costs of the agreement.

The proposed MOU is now presented for the City Council's adoption (or rejection) and is the final step in the meet and confer process with the NBPMA. The associated salary schedules are included along with the recommendation for approval of the MOU. The attached budget amendment, Budget Amendment No. 26-005, appropriates \$1,693,275 in funding to implement the costs associated with the agreement for the upcoming fiscal year.

**RECOMMENDATION:**

- 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.

## **DISCUSSION:**

*The following discussion was provided, in part, with the June 24, 2025, staff report and is included here for reference:*

The NBPMA is an exclusively recognized bargaining unit representing the full-time police lieutenant and police sergeant management classifications, for a total of 33 budgeted positions. During negotiations, City staff members, NBPMA members, and respective legal representatives discussed wage adjustments, the medical cafeteria allowance and structure, assignment pays, certificate pays, and other non-economic matters.

Key provisions of the proposed MOU between the City and NBPMA include:

- Term: July 1, 2025, through June 30, 2028.
- Salary Adjustments:
  - Year One – 4%
  - Year Two – 4%
  - Year Three – 4%
- Equity Adjustments:
  - Sergeants – 9%
  - Lieutenants – 11%
- Flex Leave: Amend the MOU to match the flex leave accrual rate received by members of the Newport Beach Police Association.
- Holiday Time: All holiday time will be paid out in cash.
- Medical Insurance: The City will contribute \$1,924 per month (plus the minimum CalPERS participating employee contribution) to each member's cafeteria plan.
- Employee Retirement Contributions: Effective June 14, 2025, employee retirement contributions will adjust as follows:
  - Tiers I & II – 13.6% of compensation earnable
  - Tier III – 13.6% of pensionable compensation or half the normal cost, whichever is higher
- Addition / Modification of Certain Certification Pays
- Addition of Special Assignment Pays (S.W.A.T., Detectives, Crises Negotiator)

The City Council reviewed the Tentative Agreement and proposed MOU with the NBPMA at its regular meeting on June 24, 2025, after which the costing information and proposed revisions to the MOU were posted for public review on the City's website. A final version of the successor MOU is being presented in accordance with Government Code §3505.1. The total cost of the NBPMA MOU is estimated to be \$6,769,022.

Although the Police Chief has an employment agreement with the city, certain salary range adjustments are outlined in the Key and Management Compensation Plan (“Plan”). The assistant police chief classification is also included in the Plan as an Administrative Management – Safety position. According to the Plan, salary adjustments for the police chief and safety assistant police chief classifications are tied to the salary adjustments received by Police Management Association Lieutenants. The proposed salary adjustments to the police chief and safety assistant police chief salary ranges are shown in Attachments D and E and recommended for adoption in Resolution No. 2025-42.

**FISCAL IMPACT:**

Detailed cost information is provided in Attachment F. Since the MOU covers the period from July 1, 2025, through June 30, 2028, it will result in the following annual fiscal impacts to implement the terms of the agreement, totaling \$6,769,022:

Fiscal Year	Amount
2025/26	1,855,079
2026/27	2,251,061
2027/28	2,662,882
	<b>6,769,022</b>

A budget amendment is required to appropriate \$1,693,275 from unappropriated fund balances to implement the agreement for Fiscal Year 2025-26. The MOU for the PMA is funded by the General Fund.

**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 – Resolution No. 2025-42

Attachment B – Exhibit A to Attachment A (NBPMA MOU)

Attachment C – Exhibit B to Attachment A (Salary Schedule)

Attachment D – Exhibit C to Attachment A (Police Chief Salary Schedule)

Attachment E – Exhibit D to Attachment A (Assistant Police Chief Salary Schedule)

Attachment F – Estimated Cost of Contract with NBPMA

Attachment G – Budget Amendment No. 26-005