



CITY OF

NEWPORT BEACH

City Council Staff Report

November 30, 2021
Agenda Item No. 21

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Tentative Agreement with Newport Beach Firefighters Association

ABSTRACT:

The Memoranda of Understanding (MOU) between the City of Newport Beach (City) and the Newport Beach Firefighters Association (NBFA or Association) expires December 31, 2021. Representatives from the City and the NBFA began negotiating the terms and conditions of a successor agreement in July 2021. After multiple meetings, a Tentative Agreement (Agreement) has been reached. The Agreement addresses the negotiated wages, benefits, and other terms and conditions of employment for employees represented by the Association as required under the Meyers-Milias-Brown Act, California Government Code §3500.

To promote greater transparency in the negotiations process, including the cost associated with the labor contract, the Agreement with the NBFA is being presented at this time for public review and comment. The complete Agreement, which spans the time period from January 1, 2022 through December 31, 2025, will be presented again for City Council adoption (or rejection) at the December 14, 2021 regular meeting.

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; and
- b) Receive and consider the Tentative Agreement between the City of Newport Beach and the Newport Beach Firefighters Association.

DISCUSSION:

The NBFA is an exclusively recognized bargaining unit and represents 118 employees, including 112 safety members and six non-safety members.

During negotiations, the parties discussed topics such as wage adjustments, leave time, overtime, disability premiums, cafeteria allowance, and other noneconomic matters.

Significant provisions of the Agreement between the City and the NBFA include:

- Term of four years, from January 1, 2022 through December 31, 2025
- Wage adjustments
 - ✓ January 2022 – 2.0%
 - ✓ January 2023 – 2.0%
 - ✓ January 2024 – 2.0%
 - ✓ January 2025 – 2.0%
- City-paid short-term and long-term disability benefits
- Modifications to the cafeteria allowance structure and new member medical opt-out
- Additional City contribution of \$200 per month to the employee medical cafeteria allowance if certain criteria are met during the term of the agreement.
- Upon City Council adoption, one-time signing bonus of \$2,000 for currently active unit members

A draft version of the Tentative Agreement between the City and the NBFA is included as Attachment A, with changes from the current agreement in redline. Costing information for NBFA is included as Attachment B. The total cost of the NBFA MOU is estimated to be \$6,979,220.

On November 13, 2021, the City was notified that in accordance with their ratification procedures, the majority of NBFA members met and voted to approve the Agreement. Following City Council review of the Tentative Agreement and proposed MOU with the NBFA, a final version of the successor MOU will be presented at the December 14, 2021 regular meeting. The costing information and proposed revisions to the MOU will be posted for public review on the City's website.

The Agreement will not become effective, per Government Code §3505.1, until the governing body, i.e., City Council, takes action to adopt it. If the City Council approves adoption of the Tentative Agreement with the NBFA at the December 14, 2021 meeting, City staff will work to implement the provisions as soon as practicable.

FISCAL IMPACT:

Detailed costing information is included in Attachment B. As the MOUs are effective on January 1, 2022, the year one impact shown in the detailed costing information, excluding the signing bonus, is roughly two times the actual impact (e.g. only six months of the fiscal year). The cost to implement the terms of the agreement for FY 2021-22 is therefore approximately \$573,000 rather than the \$910,000 shown in Attachment B.

Additionally, the disability insurance premiums can be funded from disability insurance reserve funds on hand for the balance of the current fiscal year, and certain pension and compensated absences costs are long term in nature and will not impact the current fiscal year's budget. Should the Council approve the MOUs, the budgetary impact is therefore reduced to approximately \$470,000 in FY 2021-22.

Sufficient projected unassigned General Fund balance is available to fund the required appropriations. Subsequent to the City Council's consideration of the Tentative Agreement, staff will return with a budget amendment to appropriate the required \$470,000 when the MOU is formally approved.

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 - Tentative Agreement (Agreement) and proposed MOU (redlined) between the City and NBFA with signature of NBFA President Bobby Salerno
- Attachment B - Estimated Cost of Contract with the NBFA