



CITY OF

NEWPORT BEACH

City Council Staff Report

November 30, 2021
Agenda Item No. 20

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Grace K. Leung, City Manager - 949-644-3001,
gleung@newportbeachca.gov

PREPARED BY: Barbara J. Salvini, Human Resources Director
PHONE: 949-644-3259

TITLE: Tentative Agreement with Newport Beach Police Association (NBPA)

ABSTRACT:

The Memorandum of Understanding (MOU) between the City of Newport Beach (City) and the Newport Beach Police Association (NBPA or Association) expired June 30, 2021. The parties began negotiating the terms and conditions of a successor agreement in March 2021. After multiple meetings, a Tentative Agreement (Agreement) has been reached. The Agreement addresses wages, benefits, and other terms and conditions of employment for employees represented by the NBPA and were negotiated as required under the Meyers-Milias-Brown Act, California Government Code §3500.

To promote greater transparency in the negotiations process, including the costs associated with the labor contract, the Agreement with the NBPA is being presented at this time for public review and comment. The complete Agreement, which spans the time period July 1, 2021 through November 30, 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 Police Association.

DISCUSSION:

The Newport Beach Police Association (NBPA or Association) is an exclusively recognized bargaining unit and represents 194 employees, including safety and non-safety members. City staff members, Association members, and respective legal representatives began negotiating the terms and conditions of a successor agreement in March 2021. Topics discussed during negotiations included wage adjustments, leave time, overtime, specialty pays, deferred compensation, disability premiums, physical fitness provisions, holiday time, funeral expenses, the medical cafeteria allowance, retirement contributions, leave payout, overpayment recovery, and other non-economic matters. Additionally, language was added to the proposed Agreement to clarify the intent behind existing terms and conditions.

Salient provisions of the Tentative Agreement between the City and the NBPA include:

- Term: July 1, 2021 through November 30, 2025.
- Wage adjustments
 - ✓ July 2021 – 2.0%
 - ✓ July 2022 – 2.0%
 - ✓ July 2023 – 2.0%
 - ✓ July 2024 – 2.0%
- City-paid short-term and long-term disability benefits
- Increased non-sworn contribution to CalPERS retirement benefit
- Non-accruing Leave in the amount of 18 hours each year for non-sworn members
- 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, a one-time signing bonus of \$2,000 for currently active unit members

A draft version of the Tentative Agreement between the City and NBPA is included as Attachment A, with changes from the current agreement in redline. Costing information for NBPA is included as Attachment B. The total cost of the NBPA Agreement is estimated to be approximately \$8,123,312.

Following City Council review of the Tentative Agreement and proposed MOU with the NBPA, 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 NBPA 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. The cost to implement the terms of the agreement for FY 2021-22 is approximately \$1,269,000. However, 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, compensated absences, and retiree medical costs are long term in nature and will not impact the current fiscal year's budget. Lastly, the proposed non-accruing leave may result in some additional overtime costs, but those costs can be absorbed within the existing overtime budget. Should the City Council approve the MOUs, the budgetary impact is therefore reduced to approximately \$892,000 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 \$892,000 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 and proposed MOU (redlined) between the City and the NBPA with Signature of NBPA Acting President Mark Fasano
Attachment B – Estimated Cost of Contract with NBPA