



CITY OF

NEWPORT BEACH

City Council Staff Report

January 11, 2022
Agenda Item No. 14

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: Approval of Side Letters of Agreement with the Newport Beach City Employees Association and Newport Beach Professional and Technical Employees Association

ABSTRACT:

On November 16, 2021, the City Council for the City of Newport Beach (City) approved the adoption of Memoranda of Understanding (MOUs) with the Newport Beach City Employees Association (CEA) and the Newport Beach Professional and Technical Employees Association (ProfTech). Both MOUs are effective January 1, 2022, through December 31, 2025, and cover wages, benefits, and other terms and conditions of employment for employees represented by these two groups. To recognize and retain existing CEA and ProfTech members, Side Letter Agreements (Side Letters) which provide for existing unit members to receive a one-time bonus are being presented for the City Council's approval and adoption. This is the final step in the meet and confer process to amend the CEA and ProfTech MOUs.

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) Approve the Side Letter of Agreement to the Memorandum of Understanding between the City of Newport Beach and the Newport Beach City Employees Association;
- c) Approve the Side Letter of Agreement to the Memorandum of Understanding between the City of Newport Beach and the Newport Beach Professional and Technical Employees Association; and
- d) Approve Budget Amendment No. 22-036 appropriating \$344,000 in increased expenditures in various City division salary accounts from the unappropriated fund balances of various City funds.

DISCUSSION:

The Newport Beach City Employees Association (CEA) and Professional and Newport Beach Technical Employees Association (ProfTech) are exclusively recognized bargaining units. The CEA represents 94 budgeted, miscellaneous positions in administrative support, finance, library services and recreational services occupations. The ProfTech represents 78 budgeted, miscellaneous positions in engineering, planning, and information technology occupations. Both units are affiliated with the Laborers' International Union of North America, Local 777 (LIUNA). After meeting and conferring with both associations over the terms and conditions of their employment, the City Council approved successor Memoranda of Understanding (MOUs) on November 16, 2021, each with a term of January 1, 2022 through December 31, 2025.

The attached Side Letters of Agreement with CEA and ProfTech provide for a one-time bonus in the amount of \$2,000 for all bargaining unit members in paid status for the entirety of the first full pay period following City Council adoption of the side letters. This will be a lump sum payment that is non-pensionable and will not be reported to CalPERS. All other provisions, terms and covenants set forth in the existing MOUs will remain unchanged.

Over the past year, the City has experienced an increase in retirements and separations of non-probationary employees who have worked for the City for at least five years. The bonus is intended to recognize and retain existing unit members whose knowledge, experience and training elevate the level of public service received by the City's residents and visitors on a daily basis. Their institutional knowledge is invaluable and warrants recognition. Further, the bonus is consistent with Council's approval of other City employee MOUs which provide for one-time bonuses of \$2,000 for covered association members.

If the City Council approves adoption of the Side Letter Agreements, City staff will work to implement the provisions as soon as practicable.

FISCAL IMPACT:

A total of \$344,000 will be required to implement the terms of the Side Letter Agreements. To the extent that positions are vacant at the time of City Council approval, there will be some budget savings associated with the vacancies, estimated to be approximately \$16,000 of the \$344,000 requested appropriation.

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 – Side Letter of Agreement to the Memorandum of Understanding between the City of Newport Beach and the Newport Beach City Employees Association
- Attachment B – Side Letter of Agreement to the Memorandum of Understanding between the City of Newport Beach and the Newport Beach Professional and Technical Employees Association
- Attachment C – Budget Amendment No. 22-036