



CITY OF

NEWPORT BEACH

City Council Staff Report

June 11, 2019
Agenda Item No. 16

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Tentative Agreement with the Newport Beach Fire Management Association (NBFMA)

ABSTRACT:

The Memorandum of Understanding (MOU) between the City of Newport Beach (City) and the Newport Beach Fire Management Association (NBFMA) expires June 30, 2019. In anticipation of the expiring MOU, a tentative agreement (Agreement) has been reached for a successor agreement. The Agreement addresses wages, benefits, and other terms and conditions of employment for employees represented by the NBFMA, 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 is being presented at this time for public review and comment in Attachment A. The Agreement, which spans the time period from July 1, 2019 through June 30, 2022, will be presented again for City Council adoption (or rejection) at the June 25, 2019 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 Fire Management Association.

FUNDING REQUIREMENTS:

The NBFMA Resolution and MOU will be presented to the Council for consideration at the June 25, 2019 regular meeting. There is no fiscal impact related to this item for fiscal year 2018-19. A budget amendment authorizing the Finance Department staff to post an administrative budget amendment in Fiscal Year 2019-20 in the amount of \$26,939 is required. The fiscal impact of the NBFMA contract is estimated at \$163,308 for the entire three-year term of the contract as shown in Attachment B.

DISCUSSION:

The Newport Beach Fire Management Association (NBFMA or Association) is an exclusively recognized bargaining unit and represents four (4) employees, all Battalion Chiefs. Positive and productive discussions between the Association and City in anticipation of the June 30, 2019 expiration of the current MOU have resulted in a proposed successor Agreement.

Salient provisions of the Agreement include:

- Term of three (3) years, from July 1, 2019 through June 30, 2022
- Wage adjustments
 - ✓ July 1, 2019 – 2.0%
 - ✓ July 1, 2020 – 2.0%
 - ✓ July 1, 2021 – 2.0%
- Increased employee contributions to CalPERS
 - ✓ July 1, 2019 – 0.5%
 - ✓ July 1, 2020 – 0.5%
 - ✓ July 1, 2021 – 0.5%
- Revisions to the Cafeteria Plan for new employees
- City contributions to individual employee deferred compensation accounts
 - ✓ July 1, 2019 - \$21.67 per pay period
 - ✓ July 1, 2020 – a total of \$43.35 per pay period
 - ✓ July 1, 2021 – a total of \$65.02 per pay period

A proposed draft version of the Agreement between the City and Association is included in Attachment A (revisions noted in this staff report are in this redlined version) with costing information included in Attachment B. The total cost of the NBFMA MOU is estimated to be \$163,308.

On April 10, 2019, the City was notified that in accordance with their ratification procedures, the majority of NBFMA members voted to approve the Agreement. 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 a successor MOU, Human Resources staff will work to implement the provisions as soon as practicable.

Following tonight's City Council review of the proposed NBFMA MOU, a final version of the successor MOU will be presented at the June 25, 2019 regular meeting. Tonight's costing information and proposed revisions to the MOU will be posted for public review on the City's website.

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 with the NBFMA (redline)
Attachment B – Estimated Cost of Contract with NBFMA