

**SIDE LETTER OF AGREEMENT
BETWEEN
CITY OF NEWPORT BEACH
AND
THE ASSOCIATION OF NEWPORT BEACH OCEAN LIFEGUARDS**

This Side Letter of Agreement (“Agreement”) is made and entered into this 27th day of August 2024, by and between the City of Newport Beach ("City") and the Association of Newport Beach Ocean Lifeguards ("Association") (collectively "Parties") with respect to the following:

WHEREAS, on September 13, 2022, the City Council adopted Resolution No. 2022-57 approving a Memorandum of Understanding ("MOU") between the Parties with a term of September 13, 2022, through June 30, 2025;

WHEREAS, given existing inflationary pressures and to aid in the recruitment and retention of valuable employees, the Parties wish to modify the MOU; and

WHEREAS, this Agreement will not have the effect of an agreement, and will not be binding on either party, until it is ratified by the affected bargaining unit and approved by the City Council.

NOW, THEREFORE, it is mutually agreed between the Parties as follows:

1. The following language in Section 4, Fringe Benefits, Subsection H, Retirement Benefit, Subsection 2, California Public Employees Retirement System (CalPERS), of the MOU, which was previously amended pursuant to the Side Letter Agreement dated November 29, 2022, is hereby amended and shall read as follows:

“2. California Public Employees Retirement System (CalPERS)

It is the employees' responsibility to notify the Human Resources Department of outside employment. If the City is notified by CalPERS that an ANBOL member has become a CalPERS member through working at another CalPERS agency, said employee is responsible for reimbursing the City their portion of cost sharing as required by all members and outlined below, pursuant to Government Code §20516(f). CalPERS will invoice their member for the employee rate only. For example, a PERS member may receive an invoice from PERS for 11.5% of pensionable compensation; however, the ANBOL member will still need to reimburse the City 2.1 % of pensionable compensation for a total of 13.6%. The City will remind employees of this obligation at the start of the season.

The following provisions apply only to bargaining unit members enrolled in CalPERS as Safety members, consistent with the City's contract with CalPERS:

Tier I: For employees hired by the City as safety members on or before November 23, 2012, the retirement formula shall be 3% @ 50 calculated on the basis of the highest consecutive 12 months.

Tier II: For employees first hired by the City as safety members between November 24, 2012, and December 31, 2012, or hired on or after January 1, 2013 and who are not new members as defined in Government Code Section 7522.04(f), the retirement formula is 2% @ 50 calculated on the basis of the highest 36 month period selected by employee.

Tier III: For employees first hired by the City as safety members on or after January 1, 2013, who are new members, as defined in Government Code Section 7522.04(f), the retirement formula shall be 2.7% @ 57 calculated on the basis of the highest consecutive 36-month period selected by employees.

Employee Contributions

Tier I & Tier II Safety Employees - ANBOL Tier I and Tier II safety employees will contribute the full statutory member contribution, equal to nine percent (9%) of pensionable compensation, plus an additional 4.6% of pensionable compensation toward retirement costs as permitted under Government Code section 20516(t), for a total contribution of 13.6%.

Temporary Reduction. Effective the pay period that includes January 1, 2023, Tier I and Tier II safety employees shall contribute a total employee contribution as follows: Nine percent (9%) member contributions, and an additional contribution of 3.1% compensation earnable as cost sharing pursuant to Government Code section 20516(f), such that the total employee contribution equals no less than 12.1 % of compensation earnable or 50% of the total normal cost for PEPRA safety employees, whichever is greater, but in no event shall total employee contribution exceed 13.6%. This reduction in the employee contribution rate sunsets at the end of the last full pay period in December 2025. Accordingly, effective the pay period that includes January 1, 2026, Tier I and Tier II safety employees shall contribute a total employee contribution of 13.6% as follows: 9% member contribution and 4.6% of compensation earnable as cost sharing per Government Code section 20516(f).

Tier III Safety Employees - In addition to the statutorily required 50% contribution of total normal costs ("member contribution rate"), Tier III safety employees shall contribute an additional amount of pensionable compensation toward retirement costs pursuant to Government Code section 20516(f) so that their contribution equals a total contribution of 13.6% of pensionable compensation.

Temporary Reduction. Effective the pay period that includes January 1, 2023, the minimum statutory employee contribution for safety employees in Tier III is subject to the provisions of PEPRA and equals 50% of the total normal cost. Tier III safety employees shall make an additional contribution of pensionable compensation toward retirement pursuant to Government Code section 20516(f), such that the total employee contribution equals no less than 12.1 % of pensionable compensation or 50% of the total normal cost

for PEPRA safety employees (i.e., the greater of 12.1 % or 50% of the "total normal cost"). This reduction in the employee contribution rate sunsets at the end of the last full pay period in December 2025. Accordingly, effective the pay period that includes January 1, 2026, the minimum statutory employee contribution for safety employees in Tier III is subject to the provisions of PEPRA and equals 50% of the total normal cost. Tier III safety employees shall make an additional contribution of pensionable compensation toward retirement pursuant to Government Code section 20516(f), such that the total employee contribution equals no less than 13.6% of pensionable compensation (i.e., the greater of 13.6% or 50% of the "total normal cost").

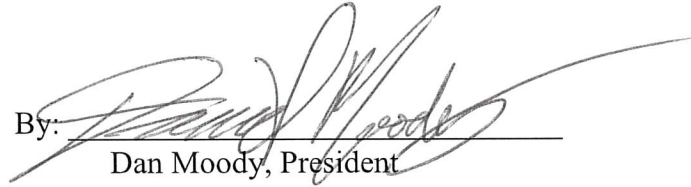
If in future fiscal years the member contribution rate for safety employees in Tier III shall become greater or less, as determined by CalPERS valuations, the additional contribution made by the employee under Government Code section 20516(f) will be increased or decreased accordingly so that the total employee contribution equals 13.6% of pensionable compensation. Provided however, that the employee contribution shall never fall below the statutorily required contribution.”

2. Except as expressly modified herein, all other provisions, terms, and covenants set forth in the MOU shall remain unchanged and shall be in full force and effect.

Signatures on the next page

Executed this 7 day of August, 2024

FOR THE ASSOCIATION OF NEWPORT BEACH OCEAN
LIFEGUARDS:

By: 
Dan Moody, President

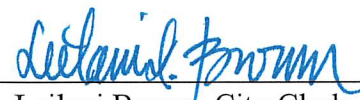
FOR THE CITY OF NEWPORT BEACH:

By: 
Will O'Neill, Mayor

CITY OF NEWPORT BEACH
APPROVED AS TO FORM:

By: 
Aaron C. Harp, City Attorney

ATTEST:

By: 
Leilani Brown, City Clerk

