

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF NEWPORT BEACH
AND
THE NEWPORT BEACH FIRE MANAGEMENT
ASSOCIATION



July 1, 2025 through June 30, 2028

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**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF NEWPORT BEACH AND
NEWPORT BEACH FIRE MANAGEMENT ASSOCIATION**

This MEMORANDUM OF UNDERSTANDING (hereinafter referred to as "MOU") is entered into with reference to the following:

1. The Newport Beach Fire Management Association ("NBFMA" or "Association"), a recognized employee organization, and the City of Newport Beach ("City"), a municipal corporation and charter city, have been meeting and conferring, in good faith, with respect to wages, hours, fringe benefits and other terms and conditions of employment.
2. This MOU, upon approval by NBFMA and the Newport Beach City Council, represents the total and complete understanding and agreement between the parties regarding all matters within the scope of representation.

SECTION 1. GENERAL PROVISIONS

A. RECOGNITION

In accordance with the provisions of the Charter of the City of Newport Beach, the Meyers Milias Brown Act of the State of California and the provisions of the Employer's/Employee Labor Relations Resolution No. 2001-50, the City acknowledges that NBFMA is the majority representative for the purpose of meeting and conferring regarding wages, hours and other terms and conditions of employment for all employees in those classifications specified in Exhibit "A" or as appropriately modified in accordance with the Employer/Employee Resolution. All other classifications and positions not specifically included within Exhibit "A" are excluded from representation by NBFMA.

B. TERM

1. Except as specifically provided otherwise, any ordinance, resolution or action of the City Council necessary to implement this MOU shall be considered effective as of July 1, 2025. This MOU shall remain in full force and effect through June 30, 2028, and the provisions of this MOU shall continue after the date of expiration of this MOU in the event the parties are meeting and conferring on a successor MOU.
2. The provisions of this MOU shall prevail over any conflicting provisions of the Newport Beach City Charter, the ordinances, resolutions and policies of the City of Newport Beach, and federal and state statutes, rules and regulations which either specifically provide that agreements such as this prevail, confer rights which may be waived by any collective bargaining agreement, or are, pursuant to decisional or statutory law, superseded by the provisions of an agreement such as, or similar to, this MOU.

C. SCOPE

1. All present written rules and currently established practices and employee rights, privileges and benefits that are within the scope of representation shall remain in full force and effect during the term of this MOU unless specifically amended by the provisions of this MOU, or in the case of the Department SOP's falling within the scope of representation, the City has given notice to the Association and, upon request, met and conferred on any proposed changes which fall within the scope of representation.

The parties agree to meet and confer changes to department SOP, rule, or regulation if such proposed change materially impacts any matter within the scope of representation.

2. Pursuant to this MOU, the City reserves and retains all of its inherent exclusive and non-exclusive managerial rights, powers, functions and authorities ("Management Rights") as set forth in Resolution No. 2001-50.

D. BULLETIN BOARDS

1. Space shall be provided on bulletin boards within the Fire Department at their present location for the posting of notices and bulletins relating to NBFMA business, meetings, or events. All materials posted on bulletins boards by the NBFMA shall indicate that the NBFMA posted it. Material posted shall not contain personal attacks on any City official or employee, any material which constitutes harassment, discrimination or retaliation on the basis of any protected class under the law or other statutorily or constitutionally impermissible basis, as well as any pornographic or obscene material.
2. Material posted and messages sent through *work* E-Mail shall not contain personal attacks on any City official or employee, any material which constitutes harassment, discrimination or retaliation on the basis of any protected class under the law or other statutorily or constitutionally impermissible basis, as well as any pornographic or obscene material. *Work* E-Mail may be used for Association business on a limited basis and consistent with Department Policy.

E. CONCLUSIVENESS

This MOU contains all of the covenants, stipulations, and provisions agreed upon by the parties. Therefore, for the life of this MOU, neither party shall be compelled to meet and confer concerning any issue within the scope of representation except as expressly provided herein or by mutual agreement of the parties. No representative of either party has the authority to make, and none of the parties shall be bound by, any statement, representation or agreement reached prior to the execution of this MOU and not set forth herein.

F. MODIFICATIONS

Any agreement, alteration, understanding, variation, or waiver or modification of any of the terms or provisions of this MOU shall not be binding upon the parties unless contained in a written document executed by authorized representatives of the parties.

G. SAVINGS

Should any part of this MOU be rendered or declared illegal or invalid by legislation, decree of court of competent jurisdiction or other established governmental administrative tribunal, such invalidation shall not affect the remaining portions of this MOU provided, however, should the provisions of this MOU relating to salary increases, fringe benefits, or the compensation policy be declared invalid the City shall provide alternative forms of compensation such that NBFMA members suffer no financial detriment by virtue of the decision or ruling with the manner and form of the compensation to be determined by the parties after meeting and conferring in good faith.

H. IMPASSE

In the event of an impasse (the failure to agree on a new MOU after the express term of the existing MOU has expired), the parties may agree on mediation pursuant to the procedure outlined in Section 16 of Resolution No. 2001-50 or a successor resolution. Upon request by the Association the parties will engage in non-binding fact finding pursuant to State law.

I. DEFINITIONS

For the purposes of this MOU these terms shall have the following meanings:

1. The term "member" or "NBFMA member" shall mean all persons within classifications represented by NBFMA.
2. The term "staff employee" shall mean any NBFMA member who is assigned to work a 40-hour workweek.
3. The term "line employee" shall mean any NBFMA member assigned to work an average 56-hour workweek in 24-hour shift increments.
4. The term "Municipal Fire Departments in Orange County" or "Municipal Fire Departments" shall mean all City operated Fire Departments and the Orange County Fire Authority.
5. *The term "safety members" shall refer to employees represented by the NBFMA in the Battalion Chiefs and the Administrative Division Chief classifications.*

6. *The term “non-safety members” shall refer to employees represented by the NBFMA in the Fire Marshal and EMS Division Chief classifications.*

SECTION 2. COMPENSATION

A. SALARY

1. Guaranteed Salary

The salary for the position of Fire Battalion Chief shall maintain at least a 12.5% salary differential between the top step of Fire Captain and the bottom step of the Fire Battalion Chief. Adjustments to the salary of Battalion Chief shall be reflected in corresponding adjustments to other positions represented by NBFMA necessary to maintain the salary differentials listed in Exhibit A

2. Salary Adjustments - this MOU Period

Base salary increases for all NBFMA represented classifications shall be as follows and as specified in Exhibit A:

1. Safety Classifications:

- a) Effective *July 12, 2025*, there shall be a base salary increase of *seven percent (7.0%)* for all *Safety* classifications in the bargaining unit. *This salary increase includes the 3.0% salary increase scheduled for the beginning of the pay period following July 1, 2025 in the preceding MOU and an additional non-compounding four percent (4.0%) salary increase.*
- b) Effective the first day of the pay period following July 1, 2026, there shall be a base salary increase of *four percent (4.0%)* for all *Safety* classifications in the bargaining unit.
- c) Effective the first day of the pay period following July 1, 2027, there shall be a base salary increase of *four percent (4.0%)* for all *Safety* classifications in the bargaining unit.

d) *Equity Adjustment:*

Effective July 12, 2025, all Safety classifications in the bargaining unit shall receive a two percent (2.0%) equity adjustment to base salary. This increase shall not compound with the simultaneous base salary increase provided above in Section 2.1.a.

2. Non-Safety Classifications:

- a) *Effective July 12, 2025, there shall be a base salary increase of four percent (4.0%) for all Non-Safety classifications in the bargaining unit.*
- b) *Effective the first day of the pay period following July 1, 2026, there shall be a base salary increase of four percent (4.0%) for all Non-Safety classifications in the bargaining unit.*
- c) *Effective the first day of the pay period following July 1, 2027, there shall be a base salary increase of four percent (4.0%) for all Non-Safety classifications in the bargaining unit.*

B. SALARY DIFFERENTIAL

The Battalion Chief assigned as the Staff *Division Chief of Administrative Services* shall receive an additional 7.5% of base pay over Battalion Chiefs while assigned to that position. Assignment as a Staff *Division Chief of Administrative Services* is typically for 2 years, unless *altered* by the Fire Chief. Designation as a Staff *Division Chief of Administrative Services* does not trigger a property interest in the position and removal from the position does not trigger any right of appeal. Line Battalion Chiefs who are assigned to modified or light duty assignments are not eligible for this pay.

C. OVERTIME - HOURS WORKED

1. The City and Association agree that all unit classifications are properly exempted from the overtime provisions of the Fair Labor Standards Act. However, NBFMA members may be required to work additional floor shifts in excess of their regular work schedule. Off-duty employees in *Safety* classifications who are assigned by the Fire Chief or designee to additional fire suppression work shifts for an emergency assignment, or to replace another Battalion Chief who is on an approved leave, will receive overtime pay equal to one-and-one-half times' the *covering* employee's base rate of pay.

Use of Flex Leave, Comp Time, or other paid leaves are not considered hours worked for the purpose of determining overtime eligibility. Regular staff meetings or other assignments will not be eligible for overtime at the 1½ rate and shift exchanges between *employees in Safety classifications* do not qualify for overtime compensation.

Non-Safety Members represented by this bargaining unit are not eligible for overtime compensation.

2. **Strike Team Actions.** In the event that a Unit *Safety* employee is assigned to provide fire suppression services as part of a regional, state, or federal strike team organized by State or Federal officials and when all of the below conditions exist, that Unit employee shall be paid at the time and one-half (1½) 56-hour rate. The conditions are:
 - The Unit employee is working outside of his or her regularly scheduled hours;
 - The Strike Team is operating outside of the city limits;
 - The Unit employee is on duty on the Strike Team for more than eight (8) hours;
 - A disaster declaration has been approved by the State or Federal government for the fire suppression action; and
 - The costs for these overtime hours are specifically authorized for reimbursement by the state or federal government.
3. **Compensatory Time.** In lieu of overtime, *Safety* members may elect to accrue compensatory time off. Compensatory time off is provided per this MOU, and not pursuant to the Fair Labor Standards Act. Staff personnel may accrue a maximum of 120 hours. Line personnel may accrue a maximum of 196 hours. The provisions for accrual and use of compensatory time shall be provided in the Fire Department Standard Operating Procedure.
4. *Non-Safety members are not eligible to accrue comp time.*
5. All other overtime not specified above will be at the straight time rate.

D. REQUIRED UNIFORM

City shall pay the entire cost of providing NBFMA member with each component of the required Nbfd uniform. The required Nbfd uniform includes shoes, badges and insignias, uniform pants, uniform shirts, uniform jackets and liner, belts, sweatshirt, and turnout safety clothing. City shall not be responsible for providing employee with socks, underwear, cap or workout shoes, or other clothing.

PERS Reporting of Uniform Allowance - To the extent permitted by law, the City shall report to the California Public Employees' Retirement System (CalPERS) the uniform allowance of \$1,519 annually, paid biweekly, for each *Safety* classification as special compensation in accordance with Title 2, California Code of Regulation, Section 571(a)(5). Notwithstanding the previous sentence, for "new members" as defined by the Public Employees' Pension Reform Act (PEPRA) of 2013, the uniform allowance will not be reported as pensionable compensation to CalPERS.

The parties agree the reported value of uniforms is intended to reflect clothing such as pants, shirts, jackets, and related attire and excludes health and safety related equipment, including safety boots and turnout gear.

E. SCHOLASTIC ACHIEVEMENT/CERTIFICATE PAY

NBFMA members are entitled to additional compensation contingent upon scholastic/certificate achievement ("Scholastic/Certificate Achievement Pay"). NBFMA members may apply for increases pursuant to this Section when eligible and scholastic/certificate achievement pay shall be included in the member's paycheck for the pay period immediately after approval by the Fire Chief. It is the responsibility of the NBFMA member to apply for Scholastic/Certificate Achievement Pay. Approval of the member's application shall not be unreasonably withheld or delayed, and the member shall not be entitled to receive scholastic/certificate achievement pay prior to the date the application is approved even though the member may have been eligible prior to approval.

NBFMA members shall receive scholastic achievement/certificate pay in accordance with the City's evaluation and approval process for degrees and/or coursework awarded by accredited community colleges, state colleges, universities or other approved institutions as follows:

1. Scholastic Achievement

<u>Degree</u>	<u>Scholastic Pay Percentage</u>
BA/BS	5.5% of base pay
MA/MS/JD	7.0% of base pay

Scholastic Achievement pays are not cumulative (e.g., employees with a BA and MA will receive a total of 7.0% of base pay).

2. Certificate Pay

<u>Coursework</u>	<u>Compensation</u>
Certified Chief Fire Officer	3.0% of base pay
Certified Strike Team Leader	\$100 per month

The parties agree that to the extent permitted by law, the Scholastic Achievement/Certificate pay in this section is special compensation and shall be reported to CalPERS as such pursuant to Title 2 CCR, Section 571(a)(2) and 571.1(b)(2) Educational Incentive Pay.

F. BILINGUAL PAY

Employees certified as bilingual (Spanish) shall be eligible to receive one hundred fifty (\$150.00) dollars per month (\$69.23 per pay period) in bilingual pay. The certification

process will confirm that employees are fluent at the street conversational level in speaking, reading and writing Spanish. Employees shall receive bilingual pay the first full pay period following certification.

Additional languages may be certified for compensation pursuant to this section by the Fire Chief.

The parties agree that to the extent permitted by law, the bilingual pay in this section is special compensation and shall be reported to CalPERS as such pursuant to Title 2 CCR, Section 571(a)(4) and 571.1(b)(3) Bilingual Premium.

G. COURT STANDBY PAY

NBFMA members who, pursuant to subpoena compelling attendance to testify to acts, observations, or omissions occurring in the course and scope of employment or at the direction of their supervisor, are required, while off-duty, to remain within a certain response time from court, shall be considered to be on "court standby time" and shall receive four hours of pay for each eight hours of court standby time. NBFMA members shall, when required to appear in court pursuant to a subpoena or the direction of their supervisor to testify at matters relating to their employment with the City, be considered to be on duty and shall be paid accordingly. Members shall remit all witness fees received for testifying or appearing on any matter for which the member is eligible to receive court standby time.

H. LONGEVITY PAY FOR SAFETY MEMBERS

Effective July 12, 2025, qualified Safety Members shall receive Longevity Pay for years of service with the City of Newport Beach as follows:

Completed Years of Service	Longevity Pay
<i>16 years but less than 20</i>	<i>5% of base salary</i>
<i>20 years and over</i>	<i>10% of base salary</i>

These pays are not cumulative (e.g. at 20 years, total longevity pay shall be 10%). The parties agree that to the extent permitted by law, Longevity Pay is special compensation and shall be reported to CalPERS as such pursuant to Title 2 CCR, Section 571(a)(1) and 571.1(b)(1).

SECTION 3. LEAVES

A. FLEX LEAVE – SAFETY MEMBERS

NBFMA Safety members shall accrue flex leave as follows.

Years of Continuous Service	LINE EMPLOYEES		STAFF EMPLOYEES	
	Accrual Hours/Pay Period	Maximum Accrual	Accrual Hours/Pay Period	Maximum Accrual
Less than 5	9.77	508.04	6.97	362.44
5 but less than 9	10.69	555.88	7.63	396.76
9 but less than 12	11.62	604.24	8.33	433.16
12 and over	12.54	652.08	8.95	465.40

1. The Flex leave program shall be administered as follows:

- a. Newly hired NBFMA members shall not accrue flex leave until continuously employed by the Newport Beach Fire Department for a period of three (3) months provided, however, if a member in the flex leave program becomes sick during the first three months of employment, the City will advance up to three (3) months of accrual for line employees (63.50 hours) / staff employees (45.30 hours) for use by the member to recover from illness.

In the event the City advances paid leave time and the employee is terminated or resigns before completing three months of continuous employment, the member's final check shall be reduced by an amount equal to the number of flex leave hours advanced multiplied by the member's hourly rate of pay.

- b. Newly hired NBFMA members shall accrue three (3) months of flex leave [line employees (63.50 hours)/ staff employees (45.30 hours)] immediately upon completing three (3) months continuous employment with the Newport Beach Fire Department, provided however, this amount shall be reduced by any flex leave time advanced during the first three months of employment.
- c. Earned flex leave in excess of the maximum permitted will be paid bi-weekly at the member's hourly rate of pay ("Spillover Pay"). NBFMA members may not elect to buy down accrued Flex Leave below the current threshold for payment unless, during the twelve months preceding the election, the member has taken at least ninety-six (96) hours of paid leave if a line employee and eighty (80) hours of paid leave if a staff employee.

Employees shall have the option of converting accrued Flex Leave to cash on an hour for hour basis subject to the following: On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out accrued flex leave which will be earned in the following calendar year. The employee can elect to receive the cash out in the pay period which includes June 30 and the pay period which includes December 15 for those Flex Leave benefits that have been earned during that portion of the year. In no event shall the flex leave balance be reduced below what each employee can accrue for fifty-two pay periods. However, in no event shall the flex leave balance be reduced below what each employee can accrue for fifty-two pay periods.

- d. All requests for scheduled flex leave shall be submitted to appropriate department personnel. In no event shall a member take, or request flex leave in excess of the amount accrued.
- e. Members shall be paid for all accrued flex leave at their current hourly rate of pay upon termination.

B. FLEX LEAVE – NON-SAFETY MEMBERS

Regular full-time Non-Safety employees in the Division Management category enrolled in the flex leave program will accrue leave according to the below.

<i>Years of Continuous Service</i>	<i>Hours Accrued per Pay Period</i>	<i>Annual Hours</i>	<i>Maximum Allowable Balance</i>
<i>1 but less than 5</i>	<i>6.00</i>	<i>156.00</i>	<i>468.00</i>
<i>5 but less than 9</i>	<i>6.61</i>	<i>171.86</i>	<i>515.58</i>
<i>9 but less than 12</i>	<i>7.23</i>	<i>189.98</i>	<i>563.94</i>
<i>12 but less than 16</i>	<i>8.15</i>	<i>211.90</i>	<i>635.70</i>
<i>16 but less than 20</i>	<i>8.77</i>	<i>228.02</i>	<i>684.06</i>
<i>20 but less than 25</i>	<i>9.38</i>	<i>243.88</i>	<i>731.64</i>
<i>25 and over</i>	<i>10.00</i>	<i>260.00</i>	<i>780.00</i>

Limit on Accumulation and Spillover:

- a. *Employees hired prior to July 1, 1996 shall be paid for accrued Flex leave in excess of the employee's maximum accrual rate (spillover) provided that they utilized at least 80 hours Flex leave the previous calendar year. Employees with 16 or more years of continuous service are required to use 120 hours of Flex leave the previous calendar year.*
- b. *Employees first hired, or rehired by the City subsequent to July 1, 1996, shall not be eligible for Flex leave spillover pay and shall not be entitled to accrue Flex leave in excess of the Flex leave accrual*

threshold.

C. HOLIDAY TIME

1. Holiday In Lieu Pay – Safety Members

The provisions of this subsection shall apply to all NBFMA Safety members on a pro-rata basis. All NBFMA Safety members work in positions that must work without regard for holidays. Thus in lieu of the holidays identified below, effective July 12, 2025, Safety Line employees shall receive holiday in lieu pay equal to the value of 7.38 hours per pay period and Safety Staff employees shall receive holiday in lieu pay equal to the value of 5.26 hours per pay period.

Holiday pay shall be paid bi-weekly with the regular check. The parties agree, to the extent permitted by law, the compensation in this section is special compensation for those employees who are normally required to work on an approved holiday because they work in positions that require scheduled staffing without regard to holidays and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(5) and 571.1(b)(4) Holiday Pay.

2. Accrual – Non-Safety Members

The following days shall be observed as paid holidays (i.e., employees shall have the day off with pay). With the exception of the “floating holiday” (where the employee chooses the day off), employees who are required to work on the holiday will receive their pay for the holiday and either pay or flex leave for the number of hours worked on the holiday.

New Year's Day	January 1
Martin Luther King Day	January – 3 rd Monday
Washington's Birthday	February – 3 rd Monday
Memorial Day	May – Last Monday
Floating Holiday*	July 1
Independence Day	July 4
Labor Day	September – 1 st Monday
Veterans Day	November 11
Thanksgiving Day	November – 4 th Thursday
Friday After Thanksgiving	November – 4 th Friday
Christmas Eve	December 24 (last ½ of workday)
Christmas Day	December 25
New Year's Eve	December 31 (last ½ of workday)

*The floating holiday (eight (8) hours of holiday leave) is awarded on July 1. The hours are added to the employees' Flex Leave account.

Holidays are paid based on the employee's regular workday schedule. For example, if an employee is on a 9/80 schedule and the holiday is observed on a day that the employee is regularly scheduled to work nine hours, the employee is

entitled to receive nine hours of holiday pay. However, if an employee is on a 9/80 schedule and the holiday is observed on a day that the employee is regularly scheduled to work eight hours, the employee is eligible to receive eight hours of holiday pay.

Holidays listed above (except the floating holiday) occurring on a Saturday shall be observed the preceding Friday. Holidays occurring on a Sunday shall be observed the following Monday. (Half day holidays shall be observed prior to the observed holiday).

Holiday pay will be paid only to employees who are in paid status on the scheduled day before and scheduled day after a holiday or are on authorized paid leave (e.g. paid leave that has been reviewed and approved by the Department Director).

D. BEREAVEMENT LEAVE

Bereavement leave shall be defined as "the necessary absence from duty by an employee because of a death or terminal illness in his/her immediate family." Staff employees shall be entitled to forty (40) hours of Bereavement Leave per event while Line Employees shall be entitled to ninety (90) hours of Bereavement Leave per event (terminal illness followed by death is considered one event). Leave hours need not be used consecutively but should occur in proximate time to the occurrence but no more than 90 days from the date of the death of the family member. Exceptions to the 90-day requirement may be made at the sole discretion of the Fire Chief. Bereavement leave shall be administered in accordance with the provisions of the Employee Policy Manual. For the purpose of this section immediate family shall mean an employee's father, stepfather, mother, stepmother, brother, sister, wife, husband, registered domestic partner, child, stepchild, *grandchild*, or grandparent, and the employee's spouse/domestic partner's mother, father, brother, sister, child, *grandchild*, or grandparent. An employee requesting bereavement leave shall notify his/her supervisor as soon as possible of the need to take leave.

E. REPRODUCTIVE LOSS LEAVE

Eligible employees are entitled to five unpaid days for each reproductive loss event. Multiple reproductive loss events are covered, up to a maximum of 20 days of reproductive loss leave within a twelve-month period.

F. JURY DUTY

Employees who are summoned to perform jury service shall be entitled to their regular compensation while serving; provided the fees, except mileage and subsistence allowance, if any, which they receive as jurors, are remitted to the City.

If an employee calls in at night and finds out that he/she must report to jury duty the next day (and is scheduled to be working that day as part of a regular shift or on an overtime basis) he/she must contact his/her supervisor as soon as possible so that coverage

can be arranged for his/her shift.

G. FAMILY SICK LEAVE

Unit employees shall be entitled to use their annual leave accrual as set forth in Labor Code section 233.

H. WORKERS' COMPENSATION LEAVE

The City will comply with the provisions of Labor Code section 4850 for workers' compensation claims.

I. REASSIGNMENT- SAFETY MEMBERS

In the event a *Safety* line employee is reassigned to a *Safety* staff position, or a *Safety* staff employee is reassigned to a *Safety* line position, the City shall automatically convert the Flex Leave, Bereavement Leave and other benefits from the position previously held to the newly assigned position provided. The ratio for conversion of *Safety* staff employee benefits to *Safety* line employee benefits shall be 7/5 and the ratio for converting line employee benefits to staff employee benefits shall be 5/7.

J. EARLY RELIEF

The parties acknowledge Department of Labor regulation, 29 CFR section 553.225 that provides:

"It is a common practice among employees engaged in fire protection activities to relieve employees on the previous shift prior to (between the hours of 0600 and 0800) the scheduled starting time. Such early relief time may occur pursuant to employee agreement, either expressed or implied. This practice will not have the effect of increasing the number of compensable hours of work for employees employed under section 7(k) where it is voluntary on the part of the employees and does not result, over a period of time, in their failure to receive proper compensation for all hours actually worked. On the other hand, if the practice is required by the employer, the time involved must be added to the employee's tour of duty and treated as compensable hours of work."

The parties acknowledge that if there is early relief, the City does not require it. The Association agrees that it will advise the Human Resources Director in writing if at any time in the future it learns or believes that the City is requiring early relief. If that occurs, early relief will immediately end.

K. NON-ACCRUING LEAVE BANK FOR SAFETY LINE EMPLOYEES

Safety Line employees shall receive forty-eight (48) hours annually of paid leave in the pay period beginning July 12, 2025, and in subsequent years, in the pay period which includes July 1. The hours do not accrue, have no cash value, cannot be transferred to any other leave bank and must be used by the pay period before the pay period which includes July 1, at which time any remaining hours will be depleted. Use of NAL is subject to supervisory approval.

L. ADMINISTRATIVE LEAVE – NON-SAFETY EMPLOYEES

For Non-Safety employees who are exempt from overtime, Administrative Leave may be granted, for a minimum of 8 hours and a maximum of 80 hours, as recommended by the Department Director with the approval of the City Manager. The determination as to how much Administrative Leave will be granted will be based upon the number of overtime hours normally worked each year by the individual exempt employee. Administrative Leave does not accrue and therefore has no cash value. As such, it cannot be carried over from year to year.

SECTION 4. FRINGE BENEFITS

A. INSURANCE

1. Benefits Information Committee

The City has established a Benefits Information Committee (BIC) composed of one representative from each employee association and up to three City representatives. The Benefits Information Committee has been established to allow the City to present data regarding carrier and coverage options, the cost of those options, appropriate coverage levels and other health programs. The purpose of the BIC is to provide each employee association with information about health insurance/programs and to receive timely input from associations regarding preferred coverage options and levels of coverage.

2. City Contribution

The City has implemented an IRS qualified Cafeteria Plan. In addition to the amounts listed below, the City shall contribute the minimum CalPERS participating employer's contribution towards medical insurance. Employees shall have the option of allocating Cafeteria Plan contributions towards the City's existing medical, dental and vision insurance/programs, *provided that any cash-out option complies with IRS Section 125 requirements.* The City and NBFMA will cooperate in pursuing additional optional benefits to be available through the Cafeteria Plan.

Employees shall be allowed to change coverages in accordance with plan rules

and during regular open enrollment periods.

Effective July 12, 2025, the City's monthly contribution towards the Cafeteria Plan is \$2,224.00 (plus the minimum CalPERS participating employer's contribution as outlined in Government Code section 22892).

Unit members who do not enroll in any health care plan offered by the City must provide proof of minimum essential coverage ("MEC") through another source (other than coverage in the individual market, whether or not obtained through Covered California) and execute an opt out agreement releasing the City from any responsibility or liability to provide health care insurance coverage, on an annual basis.

Employees hired as full-time City employees prior to June 22, 2019 who elect to opt out of medical coverage offered by the City because they have provided proof of minimum essential coverage ("MEC") through another source (other than coverage in the individual market, whether or not obtained through Covered California) will receive \$1,000.00 per month in taxable cash. *For such employees, if they elect medical coverage and spend less than \$1924.00 (plus the minimum CalPERS participating employer's contribution) of the City contribution provided above, the difference shall be paid bi-weekly to the employee as taxable cash.*

Employees hired as full-time City employees on or after June 22, 2019 who elect to opt out of medical coverage offered by the City because they have provided proof of minimum essential coverage ("MEC") through another source (other than coverage in the individual market, whether or not obtained through Covered California) shall receive \$500.00 per month in taxable cash. For these same employees, if they elect medical coverage and spend less than the City contribution provided above, there shall be no cash back provided.

3. Dental Insurance

The existing or comparable dental plans shall be maintained as part of the City's health plan offerings as agreed upon by the Benefits Information Committee.

4. Vision Insurance

The existing or a comparable vision plan shall be maintained as part of the City's health plan offerings as agreed upon by the Benefits Information Committee.

B. ADDITIONAL HEALTH INSURANCE/PROGRAMS

1. IRS Section 125 Flexible Spending Account

Section 125 of the Internal Revenue Code authorizes an employee to reduce taxable income for payment of allowable expenses such as child care and medical expenses. The City shall maintain a "reimbursable account program" in accordance with the

provisions of Section 125 of the Internal Revenue Code, pursuant to which an Association member may request that medical, child care and other eligible expenses be paid or reimbursed by the City out of the employee's account. The salary of the employee will be reduced by the amount designated by the employee for reimbursable expenses.

2. Disability Insurance

The City shall provide Short-Term (STD) and Long-Term (LTD) disability insurance to all regular full time employees with the following provisions:

	Short-Term Disability	Long-Term Disability
Benefit Amount	66.67% of covered wages	66.67% of covered wages
Maximum Benefit	\$1,846 weekly	\$15,000 monthly
Waiting Period	30 calendar days	180 calendar days

Employees shall not be required to exhaust accrued paid leaves prior to receiving benefits under the disability insurance program. Employees may not supplement the disability benefit with paid leave once the waiting period has been exhausted.

3. Life Insurance

The City shall provide life insurance for all full-time employees in \$1,000 increments equal to one times the employee's annual salary up to a maximum *benefit* of \$50,000. At age 70 the City-paid life insurance is reduced by 50% of the pre-70 amount. This amount remains in effect until the employee retires from City employment. Employees may also purchase supplemental life insurance at their own cost.

C. EMPLOYEE ASSISTANCE PROGRAM

City shall provide an Employee Assistance Program (EAP) for Association members through a properly licensed provider. Association members and their family members may access the EAP subject to provider guidelines.

D. PERS RETIREMENT BENEFITS

1. Retirement Formula

The City contracts with the California Public Employees' Retirement System ("CalPERS" or "PERS") to provide retirement benefits for its employees. Pursuant to prior agreements and state mandated reform, the City has implemented first, second and third tier retirement benefits as follows:

Tier I: *For employees hired by the City on or before November 23, 2012, the retirement formula for safety members shall be 3%@50, and the retirement formula*

for non-safety members shall be 2.5%@55, calculated on the basis of the highest consecutive 12 month period selected by the employee.

Tier II: For classic members (as defined in the Public Employees' Pension Reform Act) employees first hired by the City on or after November 24, 2012, and who are not new members as defined in Government Code Section 7522.04(f), the retirement formula *for safety members is 2%@50 and the retirement formula for non-safety members shall be 2%@60.* For these same employees, final compensation will be based on the highest annual average compensation earnable during the three consecutive years of employment immediately preceding the effective date of his or her retirement or any other three consecutive year period chosen by the employee as set forth in Government Code section 20037.

Tier III ("PEPRA"): For employees first hired by the City on or after January 1, 2013, who are new members as defined in the Public Employees' Pension Reform Act, the retirement formula *for safety members shall be 2.7%@57 and the retirement formula for non-safety members shall be 2%@62,* provided for by the Public Employees' Retirement Law at Government Code section 7522.25(d).

For these same employees, final compensation will be based on the highest annual average pensionable compensation during the three consecutive years of employment immediately preceding the effective date of his or her retirement or any other three consecutive year period chosen by the employee as set forth in Government Code section 7522.32(a).

2. Employee Contributions

Unit members shall contribute amounts toward the PERS retirement benefit, to the extent permissible by law, as set forth below. Should any such provision be deemed invalid, the City and Association agree to meet for the purpose of renegotiating employee retirement contributions or other equivalent economic adjustments.

Employee retirement contributions that are in addition to the normal PERS Member Contribution shall be made in accordance with Government Code §20516(f) and calculated on base pay, special pays, and other pays reported as pensionable compensation or compensation earnable, and will be made on a pre-tax basis through payroll deduction, to the extent allowable by the Internal Revenue Code.

a. Safety Members:

Tiers I and II:

All members in Tier I and II shall contribute the full statutory member contribution equal to 9% of compensation earnable plus an additional 4.5% of compensation earnable of the Employer rate for a total contribution of 13.5% of compensation earnable.

Tier III:

The normal member contribution rate for Tier III members is 50% of the total normal cost and is calculated annually for possible adjustments, as provided in the PERS valuations.

Tier III unit members will contribute the full statutory member contribution. If that rate is less than 13.5% of pensionable compensation these employees will contribute an additional percentage of pensionable compensation of the Employer rate to achieve a total contribution of 13.5% of pensionable compensation.

b. Non-Safety Members

Tier I:

Tier I Employees shall contribute 11.5% of compensation earnable as follows: 8% as the statutory member contribution, 2.42% as cost sharing per Government Code section 20516(a) and 1.08% of compensation earnable as cost sharing per Government Code section 20516(f).

Tier II:

Tier II Employees shall contribute 11.5% of compensation earnable as follows: 7% as the statutory member contribution and 4.5% of compensation earnable as cost sharing per Government Code section 20516(f).

The minimum statutory employee contribution for employees in Tier III is subject to the provisions of PEPRA and equals 50% of the "total normal cost". Tier III employees shall make an additional contribution of pensionable compensation toward retirement pursuant to Government Code section 20516(f), for a total employee contribution that is no less than 11.5% of pensionable compensation (i.e., Tier III employees pay the greater of 11.5% or 50% of the "total normal cost").

3. The City's contract with PERS shall also provide for:

- a. The military buy-back provisions pursuant to Section 20930.3 of the California Government Code and the highest year benefit pursuant to Section 20042.
- b. The Level 4 1959 Survivors Benefits.
- c. The pre-retirement option settlement 2 death benefit (Section 21548).

E. DEFINED CONTRIBUTION PLAN

To the extent allowed by PERS, the IRS and other applicable regulatory agencies and laws, unit members who shall be enrolled in the 2% @ 50 retirement formula or 2.7% @ 57 formula, shall be eligible to participate in a defined contribution plan to be administered by the City or its designee in accord with said regulatory agency regulations and laws. The defined contribution plan shall be funded by allowing each affected employee to contribute a percentage of base salary each payroll period. The City shall match any such employee contributions up to a maximum of 1.5% of base salary. The employee only contributions shall be deemed fully vested at the time of its deposit. The employer only matching contribution shall vest upon a PERS retirement being implemented as follows: 100% - age 55+; 80% - age 54; 60% - age 53, 40% - age 52; 20% - age 51.

F. RETIREE MEDICAL BENEFIT

1. Background

In 2005, the City and all Employee Associations agreed to replace the previous "defined benefit" retiree medical program with a new "defined contribution" program. The process of fully converting to the new program will be ongoing for an extended period. During the transition, employees and (then) existing retirees have been administratively classified into one of three categories. The benefit is structured differently for each of the categories. The categories are as follows:

- a. Category 1 - Employees newly hired on or after January 1, 2006.
- b. Category 2 - Active employees hired prior to January 1, 2006, whose age plus years of service as of January 1, 2006 was less than 50 (46 for public safety employees).
- c. Category 3 - Active employees hired prior to January 1, 2006, whose age plus years of service was 50 or greater (46 for public safety employees) as of January 1, 2006.

2. Program Structure

This is an Integral Part Trust (IPT) Retiree Health Savings Plan ("RHS", formerly the MERP plan):

- a. For employees in Category 1, the program is structured as follows:

Each employee will have an individual RHS account for bookkeeping purposes, called his or her "Employee Account." This account will accumulate contributions to be used for health care expenses after separation. All contributions to the plan are either mandatory employee contributions or City paid employer contributions, so they are not taxable to employees at the time of deposit. Earnings from investment of funds in the account are not taxable

when posted to the account. Benefit payments are not taxable when withdrawn, because the plan requires that all distributions be spent for specified health care purposes.

Contributions will be in three parts.

Part A contributions (mandatory employee contributions): 1% of Salary.

Part B contributions (employer contributions): \$2.50 per month for each year of service plus year of age (updated every January 1st based on status as of December 31st of the prior year).

Part C contributions (leave settlement as determined by Association):

The Association will determine the level of contribution for all employees it represents, subject to the following constraints. All employees within the Association must participate at the same level. The participation level should be specified as a percentage of the leave balance on hand in each employee's leave bank at the time of separation from the City.

For example, if the Association wishes to specify 50% of the leave balance as the participation level, then each member leaving the City, or cashing out leave at any other time, would have the cash equivalent of 50% of the amount that is cashed out added to the RHS, on a pre-tax basis. The remaining 50% would be paid in cash as taxable income. Individual employees would not have the option to deviate from this breakout.

The Association has decided to participate in Part C contributions at the level of zero percent (0%) Flex. This amount may be changed, on a go forward basis, as part of a future meet and confer process. However, the participation level must be the same for all employees within the Association. Additionally, the purpose and focus of these changes should be toward long-term, trend type adjustments. Due to IRS restrictions regarding "constructive receipt," the City will impose restrictions against frequent spikes or drops that appear to be tailored toward satisfying the desires of a group of imminent retirees.

Spillover pay and Compensatory Time are not eligible for Part C contributions.

Nothing in this section restricts taking leave for time off purposes.

Part A contributions may be included in PERS compensation. Part B and Part C contributions will not be included in PERS compensation.

Part A contributions begin upon enrollment in the program and are credited to each RHS Employee Account each pay period. Eligibility for Part B contributions is set at five years of vested City employment (i.e. five years at full time status). At that time, the City will credit the first five years' worth of Part B

contributions into the Employee Account (interest does not accrue during that period). Thereafter, contributions are made bi-weekly. Part C deposits, if any, will be made at the time of employment separation.

Each Employee has a right to reimbursement of medical expenses (as defined below) from the Plan until the Employee Account balance is zero. This right is triggered upon separation. If an employee leaves the City prior to five years of employment, only the Part A contributions and Part C leave settlement contributions, if any, will be in the RHS Employee Account. Such an employee will not be entitled to any Part B contributions. The exception to this is a full-time employee, participating in the program, who leaves the City due to industrial disability during the first five years of employment. In such cases, the employee will receive exactly five years' worth of Part B contributions, using the employee's age and compensation at the time of separation for calculation purposes. This amount will be deposited into the employee's RHS account at the time of separation.

Distributions from RHS Employee Accounts are restricted to use for health insurance and medical care expenses after separation, as defined by the Internal Revenue Code Section 213(d) (as explained in IRS Publication 502), and specified in the Plan Document. In accordance with current IRS regulations and practices, this generally includes premiums for medical insurance, dental insurance, vision insurance, supplemental medical insurance, long term care insurance, and miscellaneous medical expenses not covered by insurance for the employee and his or her spouse and legal dependents - again only as permitted by IRS Publication 502. Qualification for dependency status will be determined by guidelines in IRC 152. If used for these purposes, distributions from the RHS accounts will not be taxable. Cash withdrawal for any other purpose is prohibited. Under recent IRS Revenue Ruling 2005-24, any balance remaining in the Employee Account after the death of the employee and his or her spouse and/or other authorized dependents (if any) must be forfeited. That particular RHS Employee Account will be closed, and any remaining funds will become general assets of the plan.

The parties agree that the City's Part B contributions during active employment constitute the minimum CalPERS participating employer's contribution (i.e., the CalPERS statutory minimum amount) towards medical insurance after retirement. The parties also agree that, for retirees selecting a CalPERS medical plan, or any other plan with a similar employer contribution requirement, the required City contribution will be withdrawn from the retiree's RHS account.

- b. For employees in Category 2, the program is the same as for those in Category 1, with the following exception:

In addition to the new plan contributions listed above, current employees who fully convert to the new plan will also receive a one-time City contribution to their individual RHS accounts that equates to \$100 per month for every month they

contributed to the previous "defined benefit" plan, to a maximum of 15 years (180 months). This contribution will be made only if the employee retires from the City and at the time of retirement. No interest will be earned in the interim.

Employees in Category 2 who had less than five years' service with the City prior to implementation of the new program will only receive Part B contributions back to January 1, 2006 when they reach five years total service.

- c. For employees in Category 3, the program is the same as for those in Category 2, with the following exception:

For employees in this category, the City will make no Part B contributions while the employees are still in the active work force. Instead, the City will contribute \$400 per month into each of their RHS accounts after they retire from the City, to continue as long as the employee or spouse is still living.

Each employee will contribute a flat \$100 per month to the plan for the duration of their employment to partially offset part of this expense to the City. The maximum benefit provided by the City after retirement is \$4,800 per year, accruing at the rate of \$400 per month. There is no cash out option for these funds, and they may not be spent in advance of receipt.

Employees in this category will also receive an additional one-time City contribution of \$75 per month for every month they contributed to the previous plan prior to January 1, 2006, up to a maximum of 15 years (180 months). This contribution will be made to the RHS account at the time of retirement, and only if the employee retires from the City. No interest will be earned in the interim.

3. Administration

Vendors have been selected by the City to administer the program. The contract expense for program-wide administration by the vendor will be paid by the City. However, specific vendor charges for individual account transactions that vary according to the investment actions taken by each employee, such as fees or commissions for trades, will be paid by each employee.

The City's Deferred Compensation Committee, or its successor committee, will have the authority to determine investment options that will be available through the plan.

G. DEFERRED COMPENSATION

In the preceding MOU, the following provisions applied only to Safety employees represented by NBFMA. Effective July 12, 2025, the following provisions shall also apply to Non-Safety employees represented by NBFMA.

Each employee shall have a deferred compensation account set up by the City and

subject to the rules of IRS Code section 457 to which s/he may make contributions. The City shall contribute to each employee's deferred compensation account each pay period as follows:

1. The City shall contribute sixty-five dollars and two cents (\$65.02) per pay period to each employee's deferred compensation account.

Under federal law, there is an annual maximum contribution which may be made to an employee's IRS Code section 457 account. Although the City will be making contributions to employees' accounts each pay period, it is the employees' responsibility to track their total contribution amount. If an employee's account contributions reach the annual 457 maximum, the City will stop making contributions for the remainder of the calendar year and will not owe the employee any additional compensation related to this section.

H. TUITION REIMBURSEMENT

Maximum tuition reimbursement for NBFMA members shall be \$1,500 per fiscal year.

1. College Courses

Subject to the limitation above, NBFMA members attending accredited community colleges, colleges, trade schools or universities may apply for reimbursement of one hundred percent (100%) of the actual cost of tuition, books, fees or other student expenses for approved job-related courses. Reimbursement is contingent upon the successful completion of the course. Successful completion means a grade of "C" or better for undergraduate courses and a grade of "B" or better for graduate courses. All claims for tuition reimbursement require the approval of the Human Resources Director.

2. Non-College Courses

Subject to the limitation above, NBFMA members attending job-related classes, courses, and seminars given by recognized agencies, organizations or individuals other than accredited college institutions may apply for reimbursement of one hundred percent (100%) of the actual cost of tuition, parking fees, travel and lodging expenses. Unit members who must stay in lodging to attend such classes, courses or seminars because of their location are required to seek single occupancy governmental rates (at GSA rates) when booking lodging for the class, course or seminar. Reimbursement for more than single occupancy governmental rates will be provided only if such rates are not available and if approved by the Fire Chief.

Job-related courses and seminars will be considered pre-authorized in the following areas: management and supervision, oral and written communications,

conflict resolution, fire ground operations, rescue systems, legal issues, media relations, risk management, EMS, health and safety, apparatus operator, auto extrication, fire prevention, arson investigation, and critical incident stress management.

Reimbursement is contingent upon the successful completion of the course. Successful completion means a document or certificate showing successful completion of the class or seminar. All claims for tuition reimbursement require the approval of the Fire Training Chief before submittal to Human Resources.

I. ANNUAL PHYSICAL EXAMINATIONS

All NBFMA members shall participate in the Department Fitness Program as outlined in Department SOP.

J. PHYSICAL CONDITIONING EQUIPMENT/APPAREL

City shall provide workout apparel for each NBFMA member, to be replaced on an "as needed" basis. NBFMA members shall wear City provided workout apparel when working out on duty.

SECTION 5. MISCELLANEOUS PROVISIONS

A. REDUCTIONS IN FORCE/LAYOFFS

The provisions of this section shall apply when the City Manager determines that a reduction in the work force is warranted because of actual or anticipated reductions in revenue, reorganization of the work force, a reduction in municipal services, a reduction in the demand for service or other reasons unrelated to the performance of duties by any specific employee. Reductions in force are to be accomplished, to the extent feasible, on the basis of seniority within a particular Classification or Series and this Section should be interpreted accordingly.

1. Definitions

- a. "Layoffs" or "Laid off" shall mean the non-disciplinary termination of employment.
- b. "Seniority" shall mean the time an employee has worked in a specific Classification within a Series calculated from the date on which the employee was first granted regular status, subject to the following:
 - i. Credit shall be given only for continuous service (as described in the next paragraph) subsequent to the most recent appointment to regular status in the Classification or Series;

- ii. Seniority shall include time spent on industrial leave, military leave and leave of absence with pay, but shall not include time spent on any other authorized or unauthorized leave of absence.
- iii. For purposes of determining layoffs within any Classification, seniority shall mean the time an employee has worked within any Classification within the Series.
- c. "Classification" shall mean one full time position identical or similar in duties and embraced by a single job title authorized in the City budget and shall not include part-time, seasonal or temporary positions. Classifications within a Series shall be ranked according to pay (lowest ranking, lowest pay).
- d. *"Series" shall mean two or more Classifications within a Department which require the performance of similar duties with the higher-ranking Classification(s) characterized by the need for less supervision by superiors, more difficult assignments, more supervisory responsibilities for subordinates.*
- e. *"Bumping Rights", "Bumping" or "Bump" shall mean the right of an employee in a higher Classification who is subject to layoff to displace a less senior employee in a lower Classification within the Series. No employee shall have the right to Bump into a Classification for which the employee does not possess the minimum qualifications such as specialized education, training or experience, provided, however, the City shall allow an employee to become re-certified as an EMT or a paramedic in the event the employee's certification has expired due to promotion to another position. An employee has the right to "Bump" into only those positions the employee has previously held with the Department.*

2. Procedures

In the event the City Manager determines to reduce the number of *employees within a Classification*, the following procedures are applicable:

Employees shall be laid off in inverse order of seniority;

- a. *An employee subject to a layoff shall have the right to Bump a less senior employee in a lower ranking Classification which he/she has held within the Department if he/she has more seniority. An employee who has Bumping Rights shall notify the Department Director within seven (7) working days after notice of layoff of his/her intention to exercise Bumping Rights.*
- b. *In the event two or more employees in the same classification are subject to layoff and have the same seniority, they shall be laid off in inverse order of their position on the eligibility list or lists from which they were appointed. In the event at least one of the employees was not appointed from an eligibility list, the Fire Chief shall determine the employee(s) to be laid off.*

3. Notice

Employees subject to lay-off shall be given at least thirty (30) days advance notice of the layoff or thirty (30) days pay in lieu of notice. In addition, employees laid off will be paid for all accumulated paid leave, holiday leave (if any).

4. Re-Employment

Regular employees who are laid off shall be placed on a Department re-employment list in reverse order of layoff. Re-employment lists will be valid for two (2) years. The re-employment list shall remain in effect until exhausted by removal of all names on the list. In the event a vacant position occurs in the Classification which the employee occupied at the time of layoff, or a lower ranking Classification within a Series, the employee at the top of the Department re-employment list shall have the right to appointment to the position, provided, he or she reports to work within seven (7) days of written notice of appointment. Notice shall be deemed given when personally delivered to the employee or deposited in the U.S. Mail, certified, return receipt requested, and addressed to the employee at his or her past known address. Any employee shall have the right to refuse to be placed on the re-employment list or the right to remove his or her name from the re-employment list by sending written confirmation to the Human Resources Director.

5. Demotion

Regular employees who are demoted because of reduced staffing levels shall be placed on a Department promotional list in reverse order of demotion. This promotional list shall remain in effect until exhausted by removal of all names on the list.

6. Severance Pay

Regular employees who are laid off shall, as of the date of lay-off, receive one week severance pay for each year of continuous service with the City of Newport Beach, but in no case to exceed ten (10) weeks of severance compensation.

B. FIRE SUPPRESSION STAFFING LEVELS

Move-up and move-down coverage shall be used to staff the fire suppression battalion chief position in the absence of available battalion chiefs.

C. STAFF ASSIGNMENT SCHEDULE

NBFMA members assigned to staff positions shall have the option to work a 5/40, 4/10 or 9/80 schedule; the staff member and the Fire Chief must mutually agree to the schedule selected prior to it becoming effective. The Fire Chief retains the right to assign the staff

member to a different schedule, or deny the member's request for a change of schedule, if the Fire Chief determines that the member is not able to perform their job duties or the operational needs of the department are not being met. Employees will be given 2 weeks' notice if the Fire Chief determines a change in schedule is needed in order to minimize disruption of the member's personal/professional obligations. In addition, occasionally and at the discretion and approval of the Fire Chief, unit employees (who are all FLSA exempt) working a 4/10 or 9/80 schedule may adjust their regularly scheduled day off if such change does not disrupt departmental operations.

D. CONSECUTIVE SHIFTS

Members shall be limited to working four (4) 24-hour shifts in a row, after which time the employee shall not work during the next consecutive 24-hour shift. Additional consecutive shifts may be permitted with Fire Chief or designee approval, based upon exigent circumstances.

E. REQUIREMENT TO LIVE WITHIN 150 MILES OF CITY LIMITS

Employees hired as full-time unit members on or after July 1, 2019, are required to live within 150 miles of the City limits.

F. OVERPAYMENT

Employees will be notified by Payroll or Human Resources prior to the recovery of overpayments on paychecks. Recovery of more than 15% of net pay will be subject to a repayment schedule established by the appointing authority under guidelines issued by the Finance Department or Human Resources. Such recovery shall not exceed 15% per month of disposable earnings, as defined by State law, except a mutually agreed upon accelerated payment plan for faster recovery.

Recoupments under this section shall be limited to forty-eight (48) months. However, nothing in this section is intended to preclude the City from seeking recoupment of overpayments due to fraud or other knowing concealment through any available legal forum.

Signatures on the following page

For NBFMA:

Elizabeth Silver
Elizabeth Silver (Jul 14, 2025 15:47 PDT)

Elizabeth Silver
Chief Negotiator

Date: 07/14/2025

Brian McDonough
Brian McDonough (Jul 15, 2025 07:38 PDT)

Brian McDonough
NBFMA President

Date: 07/15/2025

For the City:

Jonathan V. Holtzman
Jonathan V. Holtzman (Jul 14, 2025 15:53 PDT)

Jonathan V. Holtzman
Co-Chief Negotiator

Date: 07/14/2025

Luke Jensen

Luke Jensen
Co-Chief Negotiator

CITY OF NEWPORT BEACH,

Date: 7/22/25

By: [Signature]
Joe Stapleton
Mayor

ATTEST:
Date: 7-23-2025

By: [Signature]
Molly Perry
Interim City Clerk



Exhibit B

The Newport Beach Fire Management Association

MOU Term: June 28, 2025 - June 30, 2028

Effective July 12, 2025:

All FMA Classifications: 4% Cost-of-Living Adjustment (COLA)

Safety Classifications: Additional 5% Equity Adjustment

REPRESENTED POSITIONS	GRADE	STEP	HOURLY RATE	MONTHLY RATE	ANNUAL SALARY
Fire EMS Division Chief	08	1	\$ 74.52	\$ 12,917	\$ 155,007
Fire EMS Division Chief	08	2	\$ 78.25	\$ 13,563	\$ 162,756
Fire EMS Division Chief	08	3	\$ 82.15	\$ 14,239	\$ 170,865
Fire EMS Division Chief	08	4	\$ 86.27	\$ 14,954	\$ 179,444
Fire EMS Division Chief	08	5	\$ 90.58	\$ 15,701	\$ 188,410
Fire EMS Division Chief	08	6	\$ 95.11	\$ 16,486	\$ 197,831
Fire Administrative Services Division Chief	04	1	\$ 93.70	\$ 16,242	\$ 194,900
Fire Administrative Services Division Chief	04	2	\$ 98.39	\$ 17,055	\$ 204,660
Fire Administrative Services Division Chief	04	3	\$ 103.31	\$ 17,908	\$ 214,892
Fire Administrative Services Division Chief	04	4	\$ 108.47	\$ 18,802	\$ 225,625
Fire Administrative Services Division Chief	04	5	\$ 113.91	\$ 19,744	\$ 236,923
Fire Battalion Chief 112	01	1	\$ 62.26	\$ 15,108	\$ 181,292
Fire Battalion Chief 112	01	2	\$ 65.37	\$ 15,862	\$ 190,343
Fire Battalion Chief 112	01	3	\$ 68.62	\$ 16,653	\$ 199,833
Fire Battalion Chief 112	01	4	\$ 72.06	\$ 17,488	\$ 209,850
Fire Battalion Chief 112	01	5	\$ 75.67	\$ 18,363	\$ 220,352
Fire Battalion Chief 80	05	1	\$ 87.16	\$ 15,108	\$ 181,291
Fire Battalion Chief 80	05	2	\$ 91.51	\$ 15,862	\$ 190,342
Fire Battalion Chief 80	05	3	\$ 96.07	\$ 16,653	\$ 199,833
Fire Battalion Chief 80	05	4	\$ 100.89	\$ 17,488	\$ 209,851
Fire Battalion Chief 80	05	5	\$ 105.94	\$ 18,363	\$ 220,352
Fire Marshal	07	1	\$ 74.52	\$ 12,917	\$ 155,007
Fire Marshal	07	2	\$ 78.25	\$ 13,563	\$ 162,756
Fire Marshal	07	3	\$ 82.15	\$ 14,239	\$ 170,865
Fire Marshal	07	4	\$ 86.27	\$ 14,954	\$ 179,444
Fire Marshal	07	5	\$ 90.58	\$ 15,701	\$ 188,410
Fire Marshal	07	6	\$ 95.11	\$ 16,486	\$ 197,831

Hourly rates are rounded to the nearest hundredth. Monthly and annual salaries are rounded to the nearest whole dollar.

Actual rates may vary slightly due to rounding.

Exhibit B

The Newport Beach Fire Management Association

MOU Term: June 28, 2025 - June 30, 2028

Effective July 11, 2026:

4% Cost-of-Living Adjustment (COLA)

REPRESENTED POSITIONS	GRADE	STEP	HOURLY RATE	MONTHLY RATE	ANNUAL SALARY
Fire EMS Division Chief	08	1	\$ 77.50	\$ 13,434	\$ 161,208
Fire EMS Division Chief	08	2	\$ 81.38	\$ 14,106	\$ 169,267
Fire EMS Division Chief	08	3	\$ 85.43	\$ 14,808	\$ 177,700
Fire EMS Division Chief	08	4	\$ 89.72	\$ 15,552	\$ 186,622
Fire EMS Division Chief	08	5	\$ 94.21	\$ 16,329	\$ 195,947
Fire EMS Division Chief	08	6	\$ 98.92	\$ 17,145	\$ 205,744
Fire Administrative Services Division Chief	04	1	\$ 97.45	\$ 16,891	\$ 202,695
Fire Administrative Services Division Chief	04	2	\$ 102.33	\$ 17,737	\$ 212,847
Fire Administrative Services Division Chief	04	3	\$ 107.45	\$ 18,624	\$ 223,487
Fire Administrative Services Division Chief	04	4	\$ 112.81	\$ 19,554	\$ 234,650
Fire Administrative Services Division Chief	04	5	\$ 118.46	\$ 20,533	\$ 246,400
Fire Battalion Chief 112	01	1	\$ 64.75	\$ 15,712	\$ 188,544
Fire Battalion Chief 112	01	2	\$ 67.98	\$ 16,496	\$ 197,957
Fire Battalion Chief 112	01	3	\$ 71.37	\$ 17,319	\$ 207,827
Fire Battalion Chief 112	01	4	\$ 74.95	\$ 18,187	\$ 218,245
Fire Battalion Chief 112	01	5	\$ 78.70	\$ 19,097	\$ 229,166
Fire Battalion Chief 80	05	1	\$ 90.65	\$ 15,712	\$ 188,543
Fire Battalion Chief 80	05	2	\$ 95.17	\$ 16,496	\$ 197,956
Fire Battalion Chief 80	05	3	\$ 99.92	\$ 17,319	\$ 207,826
Fire Battalion Chief 80	05	4	\$ 104.93	\$ 18,187	\$ 218,246
Fire Battalion Chief 80	05	5	\$ 110.18	\$ 19,097	\$ 229,166
Fire Marshal	07	1	\$ 77.50	\$ 13,434	\$ 161,208
Fire Marshal	07	2	\$ 81.38	\$ 14,106	\$ 169,267
Fire Marshal	07	3	\$ 85.43	\$ 14,808	\$ 177,700
Fire Marshal	07	4	\$ 89.72	\$ 15,552	\$ 186,622
Fire Marshal	07	5	\$ 94.21	\$ 16,329	\$ 195,947
Fire Marshal	07	6	\$ 98.92	\$ 17,145	\$ 205,744

Hourly rates are rounded to the nearest hundredth. Monthly and annual salaries are rounded to the nearest whole dollar.
Actual rates may vary slightly due to rounding.

Exhibit B

The Newport Beach Fire Management Association
MOU Term: June 28, 2025 - June 30, 2028

Effective July 10, 2027:
4% Cost-of-Living Adjustment (COLA)

REPRESENTED POSITIONS	GRADE	STEP	HOURLY RATE	MONTHLY RATE	ANNUAL SALARY
Fire EMS Division Chief	08	1	\$ 80.60	\$ 13,971	\$ 167,656
Fire EMS Division Chief	08	2	\$ 84.63	\$ 14,670	\$ 176,037
Fire EMS Division Chief	08	3	\$ 88.85	\$ 15,401	\$ 184,807
Fire EMS Division Chief	08	4	\$ 93.31	\$ 16,174	\$ 194,086
Fire EMS Division Chief	08	5	\$ 97.97	\$ 16,982	\$ 203,784
Fire EMS Division Chief	08	6	\$ 102.87	\$ 17,831	\$ 213,974
Fire Administrative Services Division Chief	04	1	\$ 101.35	\$ 17,567	\$ 210,803
Fire Administrative Services Division Chief	04	2	\$ 106.42	\$ 18,447	\$ 221,360
Fire Administrative Services Division Chief	04	3	\$ 111.74	\$ 19,369	\$ 232,427
Fire Administrative Services Division Chief	04	4	\$ 117.33	\$ 20,336	\$ 244,036
Fire Administrative Services Division Chief	04	5	\$ 123.20	\$ 21,355	\$ 256,257
Fire Battalion Chief 112	01	1	\$ 67.34	\$ 16,340	\$ 196,085
Fire Battalion Chief 112	01	2	\$ 70.70	\$ 17,156	\$ 205,875
Fire Battalion Chief 112	01	3	\$ 74.22	\$ 18,012	\$ 216,140
Fire Battalion Chief 112	01	4	\$ 77.94	\$ 18,915	\$ 226,974
Fire Battalion Chief 112	01	5	\$ 81.85	\$ 19,861	\$ 238,333
Fire Battalion Chief 80	05	1	\$ 94.27	\$ 16,340	\$ 196,084
Fire Battalion Chief 80	05	2	\$ 98.98	\$ 17,156	\$ 205,874
Fire Battalion Chief 80	05	3	\$ 103.91	\$ 18,012	\$ 216,139
Fire Battalion Chief 80	05	4	\$ 109.12	\$ 18,915	\$ 226,975
Fire Battalion Chief 80	05	5	\$ 114.58	\$ 19,861	\$ 238,333
Fire Marshal	07	1	\$ 80.60	\$ 13,971	\$ 167,656
Fire Marshal	07	2	\$ 84.63	\$ 14,670	\$ 176,037
Fire Marshal	07	3	\$ 88.85	\$ 15,401	\$ 184,807
Fire Marshal	07	4	\$ 93.31	\$ 16,174	\$ 194,086
Fire Marshal	07	5	\$ 97.97	\$ 16,982	\$ 203,784
Fire Marshal	07	6	\$ 102.87	\$ 17,831	\$ 213,974

Hourly rates are rounded to the nearest hundredth. Monthly and annual salaries are rounded to the nearest whole dollar.
Actual rates may vary slightly due to rounding.

Exhibit C

Fire Chief Salary Schedule Adjustment

The City of Newport Beach
Key & Management Position - Executive Management, Safety

Effective July 12, 2025:

4% Cost-of-Living Adjustment (COLA) + Additional 5% Equity Adjustment¹

POSITION	GRADE	RANGE	HOURLY RATE	MONTHLY RATE	ANNUAL SALARY
Fire Chief	01C	Low	\$ 94.03	\$ 16,298	\$ 195,580
Fire Chief	01C	Mid	\$ 121.05	\$ 20,982	\$ 251,785
Fire Chief	01C	High	\$ 148.07	\$ 25,666	\$ 307,989

Effective July 11, 2026: 4% Cost-of-Living Adjustment (COLA)¹

POSITION	GRADE	RANGE	HOURLY RATE	MONTHLY RATE	ANNUAL SALARY
Fire Chief	01C	Low	\$ 97.79	\$ 16,950	\$ 203,403
Fire Chief	01C	Mid	\$ 125.89	\$ 21,821	\$ 261,856
Fire Chief	01C	High	\$ 153.99	\$ 26,692	\$ 320,309

Effective July 10, 2027: 4% Cost-of-Living Adjustment (COLA)¹

POSITION	GRADE	RANGE	HOURLY RATE	MONTHLY RATE	ANNUAL SALARY
Fire Chief	01C	Low	\$ 101.70	\$ 17,628	\$ 211,539
Fire Chief	01C	Mid	\$ 130.93	\$ 22,694	\$ 272,330
Fire Chief	01C	High	\$ 160.15	\$ 27,760	\$ 333,121

¹ Salary adjustments for the Fire Chief classification shall occur at the same time and be the same percentage as the salary adjustments received by the Fire Management Association employees during the term of the Key & Management Compensation Plan.

Hourly rates are rounded to the nearest hundredth. Monthly and annual salaries are rounded to the nearest whole dollar.
Actual rates may vary slightly due to rounding.

Exhibit D

Assistant Fire Chief Salary Schedule Adjustment

The City of Newport Beach
Key & Management Position - Administrative Management, Safety

Effective July 12, 2025:

4% Cost-of-Living Adjustment (COLA) + Additional 5% Equity Adjustment¹

POSITION	GRADE	STEP	HOURLY RATE	MONTHLY RATE	ANNUAL SALARY
Fire Chief, Assistant	01B	1	\$ 106.47	\$ 18,454	\$ 221,450
Fire Chief, Assistant	01B	2	\$ 111.79	\$ 19,377	\$ 232,521
Fire Chief, Assistant	01B	3	\$ 117.38	\$ 20,346	\$ 244,151
Fire Chief, Assistant	01B	4	\$ 123.24	\$ 21,362	\$ 256,341
Fire Chief, Assistant	01B	5	\$ 129.38	\$ 22,427	\$ 269,120
Fire Chief, Assistant	01B	6	\$ 135.85	\$ 23,548	\$ 282,576

Effective July 11, 2026: 4% Cost-of-Living Adjustment (COLA)¹

POSITION	GRADE	STEP	HOURLY RATE	MONTHLY RATE	ANNUAL SALARY
Fire Chief, Assistant	01B	1	\$ 110.72	\$ 19,192	\$ 230,307
Fire Chief, Assistant	01B	2	\$ 116.26	\$ 20,152	\$ 241,821
Fire Chief, Assistant	01B	3	\$ 122.08	\$ 21,160	\$ 253,917
Fire Chief, Assistant	01B	4	\$ 128.17	\$ 22,216	\$ 266,595
Fire Chief, Assistant	01B	5	\$ 134.56	\$ 23,324	\$ 279,884
Fire Chief, Assistant	01B	6	\$ 141.29	\$ 24,490	\$ 293,879

Effective July 10, 2027: 4% Cost-of-Living Adjustment (COLA)¹

POSITION	GRADE	STEP	HOURLY RATE	MONTHLY RATE	ANNUAL SALARY
Fire Chief, Assistant	01B	1	\$ 115.15	\$ 19,960	\$ 239,520
Fire Chief, Assistant	01B	2	\$ 120.91	\$ 20,958	\$ 251,494
Fire Chief, Assistant	01B	3	\$ 126.96	\$ 22,006	\$ 264,074
Fire Chief, Assistant	01B	4	\$ 133.30	\$ 23,105	\$ 277,258
Fire Chief, Assistant	01B	5	\$ 139.94	\$ 24,257	\$ 291,080
Fire Chief, Assistant	01B	6	\$ 146.94	\$ 25,470	\$ 305,634

¹ Salary adjustments for the Assistant Fire Chief classification shall occur at the same time and be the same percentage as the salary adjustments received by the Fire Management Association employees during the term of the Key & Management Compensation Plan.

Hourly rates are rounded to the nearest hundredth. Monthly and annual salaries are rounded to the nearest whole dollar.
Actual rates may vary slightly due to rounding.