

RESOLUTION NO. 10-73

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, APPROVING COST SAVINGS MEASURES AND BENEFIT SUSPENSION FOR FULL-TIME UNREPRESENTED CITY EMPLOYEES.

THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY RESOLVES AS FOLLOWS:

WHEREAS, the City's 2010-11 Fiscal Year General Fund budget faces an estimated \$9.5 Million deficit due to declines in projected revenues, particularly sales taxes, property taxes, and transient occupancy taxes; and

WHEREAS, the City has taken previous actions to address the budget deficit including reductions to operating budgets, staff layoffs, mandatory furloughs, retirement incentives, suspension of benefit plans; and

WHEREAS, Unrepresented Executive and Confidential employees shall contribute in addition to the current 3.52% employee contribution, four percent (4%) of the employee's PERSable earnings towards the employee retirement; and

WHEREAS, The Retirement Health Savings (RHS) Program will be suspended. The one percent (1%) contribution from employees and the one percent (1%) match deposited by the City on behalf of each employee will be suspended.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF COSTA MESA that upon the declaration by Council Resolution as follows:

SECTION 1. In addition to the current 3.52% employee contribution, Unrepresented Executive and Confidential employees (excluding the Chief of Police and Fire Chief) shall contribute an additional four percent (4%) of the employee's PERSable earnings towards the employee retirement contribution for a period of fifty-two (52) consecutive pay periods.

The Chief of Police shall contribute five percent (5%) of the employee's PERSable earnings towards the employee retirement contribution for the same duration of time as CMPA and CMPMA employees. The Fire Chief shall contribute five percent (5%) of the employee's PERSable earnings towards the employee retirement contribution for the same duration of time as CMFA and CMFMA employees.

The expected commencement date for the employee contribution will be the first pay period following the effective date of the contract amendment. To the extent permitted by CalPERS and the IRS regulations, this 7.52% contribution shall be implemented through payroll deduction on a pre-tax basis. The contribution will be enacted by using Section 20516 as stated by PERS to be "Cost Sharing."

SECTION 2. The Retirement Health Savings (RHS) Program will be suspended for Unrepresented Executive and Confidential employees (excluding the Chief of Police) for 52 pay periods, with the employees' 1% portion being applied to the employee's share of their PERS contribution, over and above the contribution required in Section 1 hereof.

SECTION 3. The cash-out of the sixteen (16) hours of annual Floating Holidays will be suspended for calendar years 2011 and 2012. Said Floating Holidays will be taken as time off during the payroll calendar years 2011 and 2012.

SECTION 4. The Professional Development benefit shall be suspended for FY 2011-2012 and FY 2012-2013

SECTION 5. The contribution towards the employees' medical and health care benefit shall be frozen at the 2010 level for calendar years 2011 and 2012.

PASSED AND ADOPTED this 26th day of October, 2010.



Allan R. Mansoor, Mayor

ATTEST:

APPROVED AS TO FORM


Julie Folcik, City Clerk
Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF COSTA MESA)

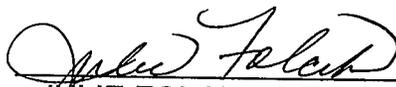
I, JULIE FOLICK, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 10-73 and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 26th day of October, 2010, by the following roll call vote to wit:

AYES: COUNCIL MEMBERS: LEECE, FOLEY, MONAHAN,

NOES: COUNCIL MEMBERS: MANSOOR, BEVER

ABSENT: COUNCIL MEMBERS: NONE

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 27th day of October, 2010.



JULIE FOLCIK, CITY CLERK

(SEAL)