



Side Letter of Agreement
September 1, 2007 – August 31, 2010
Memorandum of Understanding
Between the
Costa Mesa Police Management Association (CMPMA)
and the City of Costa Mesa

This side Letter of Agreement (“Agreement”) is entered into by and between the City of Costa Mesa (“City”) and the Costa Mesa Police Management Association (“CMPMA”). As part of the City’s Budget Development Strategies to balance the City’s current 2010-2011 Operating Budget and future fiscal year budgets, CMPMA and the City conducted numerous meet & confer meetings to reach concurrence on the items presented in the Letter of Agreement. The City and CMPMA have met and conferred in good faith and agree that the September 1, 2007 – August 31, 2010 CMPMA Memorandum of Understanding (“MOU”) shall be continued and supplemented with the following amendments:

I. Article 2 – Term of Agreement:

The City and CMPMA agree to extend the September 1, 2007 – August 31, 2010 MOU to June 30, 2014 per the terms and conditions contained in this Agreement.

II. Article 5 – Retirement Contribution

Employees covered by this Agreement shall contribute 5% of the employee’s PERSable earnings towards the employee retirement contribution for a period of one-hundred and four (104) consecutive pay periods. The expected commencement date for the employee contribution will be the first pay period following the effective date of the CalPERS contract amendment. To the extent permitted by CalPERS and the IRS regulations, this 5% 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.”

III. Article 7 – Retiree Medical Program

- a. CMPMA agrees to suspend the Retirement Health Savings (RHS) Plan for 52 pay periods.
- b. CMPMA agrees to a reopener regarding continuation of the RHS Plan suspension if any other employee associations agree to a suspension of the RHS Plan beyond 52 pay periods.

IV. Article 15 – Secondary Vacation Bank

With respect to the balance of hours in the employee’s secondary vacation bank, the deadline for affected employees to use secondary leave bank is extended from 12/31/10 to 6/30/11.

VII. Article 3 – Basic Salaries and Wages:

1. Salary Adjustment – Year 3 (effective the pay period that includes July 1, 2013)

- a. If the combined revenue totals for Sales Tax, Property Tax, and Transient Occupancy Tax increase and return to 07/08 revenues (\$72,499,107), then a 2% COLA adjustment will be implemented, **or**
- b. If the combined revenue totals for Sales Tax, Property Tax and Transient Occupancy Tax increase to 5% or more above 07/08 revenues (\$76,124, 063), then the higher of:
 - i. A 4% COLA adjustment will be implemented, **or**
 - ii. A CPI* adjustment will be implemented up to a maximum of 6%
**CPI = The change in the Department of Labor’s actual April Consumer Price Index, All Items (CPI-W) for Urban Wage Earners and Clerical Workers for the Los Angeles-Riverside-Orange Co. region for the period of April 2012 to April 2013.*

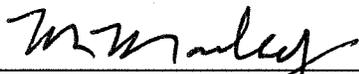
2. Salary Adjustment – Year 4 (effective the pay period that includes July 1, 2014)

- a. If the combined revenue totals for Sales Tax, Property Tax, and Transient Occupancy Tax increase to 3% above 07/08 revenues (\$74,674,080), then a 2% COLA adjustment will be implemented, **or**
- b. If the combined revenue totals for Sales Tax, Property Tax and Transient Occupancy Tax increase to 5% or more above 07/08 revenues (\$76,124,063), then the higher of:
 - i. A 4% COLA adjustment will be implemented, **or**
 - ii. A CPI* adjustment will be implemented up to a maximum of 6%
**CPI = The change in the Department of Labor’s actual April Consumer Price Index, All Items (CPI-W) for Urban Wage Earners and Clerical Workers for the Los Angeles-Riverside-Orange Co. region for the period of April 2013 to April 2014.*

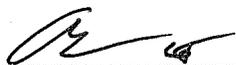
VIII. MOU Provisions:

Except as provided herein, all remaining terms and provisions of the aforementioned MOU shall remain in full force and effect through the term of this Letter of Agreement.

**REPRESENTATIVES OF THE
COSTA MESA POLICE
MANAGEMENT ASSOCIATION**



LT. MARK M. MANLEY
CMPMA President



LT. ALLEN D. HUGGINS
CMPMA Representative

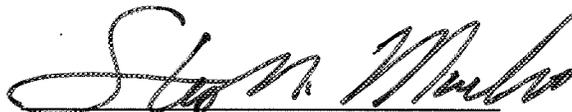


LT. TIMOTHY J. SCHENNUM
CMPMA Representative



LT. BRYAN F. GLASS
CMPMA Representative

**REPRESENTATIVES OF THE
CITY OF COSTA MESA**



STEPHEN N. MANDOKI
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