



**Side Letter of Agreement Between the City of Costa Mesa  
and its Recognized Employee Organizations (CMCEA, CMPA,  
CMPMA, CMFA)**

**Regarding the Article – Health Insurance, Flexible Benefit Contribution  
(Addendum to the Memoranda of Understanding 2004 -2007)**

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This is to memorialize a modification to the Memoranda of Understanding currently in effect between the City of Costa Mesa and the Costa Mesa City Employees Association, the Costa Mesa Police Association, the Costa Mesa Police Management Association and the Costa Mesa Fire Association regarding the contribution by the City toward health and other insurance known as the flexible benefit account.

As a result of City Council action taken on October 3, 2006, the amount of the flexible benefit accounts for benefit eligible represented and unrepresented employees shall be increased in the amount of \$55 per month beginning with the pay period including January 1, 2007. This is being implemented for the following reasons:

- To address significant increases during the past three years in the cost of purchasing medical (PEMHCA plans)/dental insurance for employees and their families;
- To encourage continued collaboration/communication between labor/management through the Benefits Review Committee and other joint projects;
- To highlight an important benefit (flexible benefit contribution) received by City of Costa Mesa employees separate from the overall negotiations process;
- To reinforce that the City is concerned with fiscal responsibility, yet is willing to assist employees when good business practice/resources permit.

Consistent with the Basic Salary and Wage provisions contained in the agreements with the Associations, the additional flat dollar amount (\$55/month) will be incorporated into any formula used for the purpose of calculating total compensation as of January 1, 2007.

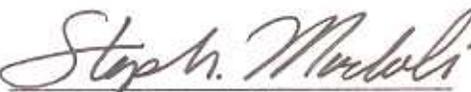
Signatures below indicate concurrence with implementing this enhancement to the flexible spending accounts. Dated this 4<sup>TH</sup> day of October 2006.

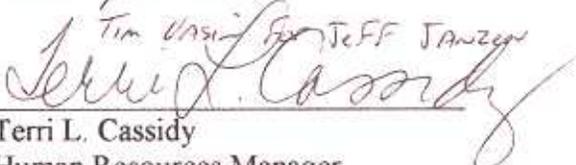
  
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CMCEA – Helen Nenadal

  
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CMPA – Christopher Walk

  
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CMPMA – Allen Huggins

  
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CMFA – Jeff Janzen

  
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Stephen N. Mandoki  
Administrative Services Director

  
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Terri L. Cassidy  
Human Resources Manager