



CITY COUNCIL AGENDA REPORT

MEETING DATE: September 2nd, 2014

ITEM NUMBER:

SUBJECT: CIVIC OPENNESS IN NEGOTIATIONS (COIN) ORDINANCE FIRST PUBLIC HEARING OF THE ADOPTION OF THE 2013-2016 MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF COSTA MESA AND THE COSTA MESA CITY EMPLOYEES ASSOCIATION (CMCEA).

DATE: August 19, 2014

FROM: CHIEF EXECUTIVE'S OFFICE/HUMAN RESOURCES DIVISION

PRESENTATION BY: RICHARD KREISLER, CHIEF NEGOTIATOR
TAMARA S. LETOURNEAU, ASSISTANT CHIEF EXECUTIVE OFFICER
LANCE M. NAKAMOTO, HUMAN RESOURCES MANAGER

FOR FURTHER INFORMATION CONTACT: LANCE NAKAMOTO (714) 754-5172

RECOMMENDATION:

1. Hold the first Public Hearing as required by COIN.
2. Schedule the second and final Public Hearing as required by COIN for September 16th, 2014.

BACKGROUND:

The previous CMCEA MOU including subsequent side letter agreements between the City and the CMCEA expired March 31, 2013. Adhering to the COIN Ordinance, a series of collaborative and productive meetings between the City's designated negotiation team and CMCEA's negotiation team were held, which resulted in the attached 2013-2016 CMCEA MOU (Attachment I). The MOU expires June 30, 2016. In conjunction, the Fiscal Impact is included as Attachment II.

ANALYSIS:

The following are the key provisions of the negotiated agreement:

- Salary - No salary increases, in addition, merit increases will be frozen for current employees during the term of the MOU.
- Salary Ranges - New employees' salary ranges will be 10% less than current salary ranges for existing employees. New employees will be eligible for merit increases.

- CalPERS Retirement Employee Contributions – All CalPERS unit members defined as “classic” members (tiers 1 & 2) and new members, shall pay 100% of their respective employee shares. In addition, all unit members (classic as well as new) shall contribute 60% of the two year (2013 and 2014 fiscal years) total CalPERS employer contribution increases equivalent to 3.3% total. In addition, CMCEA members shall pay 60% of such increases thereafter without sunset.
- Vacation Leave - Reduced total vacation maximum accruals for current and new employees. Reduced annual vacation accruals for new employees.
- Sick Leave - No cash out/no cash value of any primary or secondary sick leave account balances.
- MOU Language Revisions - The parties agree to several language changes to MOU Articles including, but not limited to overtime, classification and compensation, maintenance of benefits clauses and labor marketplace.
- Retirement Health Savings Plan (RHS) – Participation will be eliminated including matching City contributions.
- Flexible Benefit contribution - effective the first payroll period commencing on or after Council adoption of the 2013-2016 MOU, employees will receive an additional \$120.00/mo. (\$919.00 mo./total).
- Contracting Out – It was agreed upon that Street Sweeping operations will be provided by an outside agency.

A bullet point summary chart has been included as Attachment III. The CMCEA members have ratified the tentative agreement. This agreement is presented per the COIN Ordinance and will be submitted to the City Council for final approval and adoption at the September 16th City Council Meeting.

ALTERNATIVES CONSIDERED:

The parties to this agreement considered a wide variety of issues in the context of good faith negotiations in accordance with Government Code Section 3500 et seq. (Meyers-Milias-Brown Act). This MOU represents the successful conclusion of the COIN Ordinance process, legal process and appropriate alternatives need not be considered as a result of collaborative efforts expended.

FISCAL REVIEW:

The Fiscal Impact Analysis (Attachment II) prepared for the COIN Ordinance recognizes City savings of approximately \$948,000 for the current Fiscal Year 2014-2015 and an additional \$96,000 for Fiscal Year 2015-2016 for a total of over \$1 million dollars.

LEGAL REVIEW:

The City Attorney has reviewed the documents and approved them as to form.

CONCLUSION:

This Public Hearing is the first of the two mandated City Council Meetings conducted pursuant to the COIN Ordinance. The final Public Hearing is scheduled for September 16th, 2014.

LANCE M. NAKAMOTO
Human Resources Manager

TAMARA S. LETOURNEAU
Assistant Chief Executive Officer

STEPHEN DUNIVENT
Interim Finance Director

THOMAS DUARTE
City Attorney

DISTRIBUTION: Chief Executive Officer
City Clerk

ATTACHMENTS: I [CMCEA MOU](#)
II [COIN Fiscal Impact Analysis](#)
III [CMCEA Summary Chart](#)