



CITY COUNCIL AGENDA REPORT

MEETING DATE: September 16TH, 2014

ITEM NUMBER:

SUBJECT: CIVIC OPENNESS IN NEGOTIATIONS (COIN) ORDINANCE SECOND PUBLIC HEARING OF THE APPROVAL AND ADOPTION OF THE 2013-2016 MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF COSTA MESA AND THE COSTA MESA CITY EMPLOYEES ASSOCIATION (CMCEA), THE ADOPTION OF THE ACCOMPANYING SALARY RESOLUTION AND ADOPTION OF THE CONFIDENTIAL SALARY RESOLUTION.

DATE: September 3, 2014

FROM: CHIEF EXECUTIVE'S OFFICE/HUMAN RESOURCES DIVISION

PRESENTATION BY: RICHARD KREISLER, CHIEF NEGOTIATOR
LANCE M. NAKAMOTO, HUMAN RESOURCES MANAGER

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

RECOMMENDATION:

1. Hold the second Public Hearing as required by COIN.
2. Approve and adopt the 2013-2016 Memorandum of Understanding (Attachment I) between the City of Costa Mesa and the CMCEA through the pay period inclusive of June 30, 2016.
3. Adopt Resolution Number 14- ____ (Attachment II), which implements second tier salary ranges for new CMCEA represented employees. This new tier establishes two (2) lower entry salary steps for all job classifications represented by the CMCEA. The resolution also reflects the additional cost sharing stipulated in the CMCEA MOU.
4. Adopt Resolution Number 14- ____ (Attachment III), which implements second tier salary ranges for new Confidential employees. The Confidential resolution also reflects the additional cost sharing as stipulated in the CMCEA MOU.

BACKGROUND:

At the September 2nd, 2014 City Council Meeting, the first of two (2) mandated public hearings was held per the COIN Ordinance. The Staff Recommendations are being presented in conjunction with the second mandated public hearing for final approval. 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. The MOU expires on June 30, 2016.

There are approximately 17 designated Confidential employees primarily working in the CEO's Office, Finance and the Information Technology Departments. As stated in the Confidential Resolution #08-60, Section 8, Confidential employees have adhered to the same tentative agreements as CMCEA. Specifically, "...Amendments made pertaining to

the fringe benefits, City Rules and Regulations and other employment conditions for employees represented by the CMCEA shall also apply to “Confidential” unrepresented employees...” As a result, the Confidential salary resolution reflecting ten percent (10%) lower second tier salary ranges and CalPERS employee cost sharing language is included for Council approval and adoption.

ANALYSIS:

The following are the key provisions of the negotiated agreement and are summarized in Attachment IV:

- 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 shall contribute an additional 2.469% “classic” members (hired prior to January 1, 2013) shall pay 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 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 a 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.

The CMCEA members have ratified the tentative agreement. This agreement is presented to the City Council for final approval and adoption and is included herein as Attachment I. The above mentioned provisions will also apply to Confidential employees.

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 V) 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:

The September 16th Public Hearing is the second and final of the two mandated City Council Meetings conducted pursuant to the COIN Ordinance. In conjunction with the Public Hearing, Staff recommends that the City Council approve and adopt the CMCEA MOU, CMCEA and Confidential salary resolutions.

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Interim Finance Director

THOMAS DUARTE
City Attorney

DISTRIBUTION: Chief Executive Officer
City Clerk

- ATTACHMENTS: I [CMCEA MOU](#)
II [CMCEA Salary Resolution 14-](#)
III [Confidential Salary Resolution 14-](#)
IV [CMCEA MOU Power Point Summary](#)
V [COIN Fiscal Impact Analysis](#)