ATTACHMENT I

Side Letter of Agreement
April 1, 2013 – June 30, 2016
Memorandum of Understanding
Between the
Costa Mesa City Employees Association (CMCEA)
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 City Employees Association ("CMCEA"). CMCEA filed a complaint for injunctive and declaratory relief against the City, entitled *Costa Mesa City Employees' Association v. City of Costa Mesa, et al.*, Case No. 00475281, in Orange County Superior Court ("the Lawsuit"), which disputed the City's right to outsource certain service areas to third parties. As part of the settlement of the Lawsuit, and pursuant to the salary reopener provided for in Article 3, Section 3.1 of the April 1, 2013 – June 30, 2016 CMCEA Memorandum of Understanding ("MOU"), the City and CMCEA agree that the MOU shall be continued and supplemented with the following amendments:

Article 3 – Salaries and Wages

3.1 COMPENSATION - Employees covered by this Agreement shall be compensated at the monthly base salary rates established for their classification under the Basic Pay Schedule per City Council resolution. Effective June 28th, 2015, the salary rates shall be adjusted to reflect a 4% base wage increase.

3.2 MERIT SALARY ADVANCEMENT – Effective June 28th, 2015, unit members employed by the City prior to City Council adoption of the 2013-2016 MOU shall now be eligible for salary advancements within a classification. Unit members hired on or after adoption of the 2013-2016 MOU shall continue to be eligible for salary advancement within a classification.

A true and correct copy of the Settlement Agreement & General Release from the Lawsuit is attached as Exhibit A to this Side Letter, and incorporated by reference. Except as provided herein, all remaining terms and provisions of the aforementioned MOU shall remain in full force and effect through the term of the Agreement.

REPRESENTATIVES OF THE COSTA MESA CITY EMPLOYEES ASSOCIATION

KELLY VUCINIC
CMCEA President

REPRESENTATIVES OF THE CITY OF COSTA MESA

TAMARA S. LETOURNEAU
Assistant Chief Executive Officer