

NOVEMBER 21, 2013

**COSTA MESA MUNICIPAL EMPLOYEES ASSOCIATION
BARGAINING PROPOSAL NO. 3**

1. **TERM** – Commencing on the date of adoption by the City Council and ending June 30, 2015.
2. **STEP INCREASES** – Freeze step increases for all CMCEA bargaining unit employees during the term of the agreement.
3. **RETIREMENT CONTRIBUTIONS BY EMPLOYEES** –
 - (a) CMCEA bargaining unit employees will pay the full normal rate of employee PERS contribution set by statute, currently 10.469% of compensation earnable.
 - (b) CMCEA bargaining unit employees will pay one-half (1/2) of any increase in the employer contribution rate for the CalPERS miscellaneous plan, using FY 2012-2013 as the baseline year.
 - (c) For the period January 1, 2014, through June 30, 2014, only, CMCEA employees will pay an additional one-half (1/2) of the increase in the employer contribution rate for the CalPERS miscellaneous plan for the 2013-14 fiscal year.
 - (d) The City will take all reasonable steps to ensure that all employee retirement contributions hereunder (towards both employee and employer contributions) will be treated, if legally permissible, as pre-tax contributions by employees.
4. **SICK LEAVE** – (1) Eliminate future accruals to the current secondary leave bank; (2) require employees to exhaust any current secondary leave bank balance before utilizing normal sick leave; (3) reduce maximum sick leave accumulation from 480 hours to 432 hours; (4) reduce sick accrual from 3.6 hours per pay period to 3.2 hours per pay period.
5. **MERIT-BASED PERFORMANCE SYSTEM** – CMCEA has an interest in the establishment of a fair and effective merit-based performance system. However, the current municipal culture does not at this time provide an environment conducive to the comprehensive introduction of such a system.

Also, the City's proposal for a merit-based performance system fails to contain any plan or provision for performance management, an integral part of a successful merit-based system.

CMCEA therefore proposes:

- (a) As a first element towards establishment of a fair and effective merit-based system, conversion of the current merit system from seven ranges/steps to eleven ranges/steps, with approximately 3% between ranges/steps 1 through 10, and 5% between range/step 10 and 11.
 - (b) Other than the above, maintain the current system with the understanding that the parties desire to develop and implement a comprehensive overhaul of the current system characterized by objectivity, consistency and accountability, and designed to promote a high level of collaboration between employees and their supervisors, thereby helping the City become a more efficient, effective and responsible organization.
 - (c) On or before March 1, 2014, commence discussions between the City and CMCEA representatives with an objective of agreeing to and implementing a comprehensive overhaul of the current system by July 1, 2014.
6. LEAN - Establish a City/CMCEA working group to evaluate the feasibility and advisability of applying LEAN process analysis and improvement methods to City government.
 7. HEALTH CARE, WELLNESS AND THE AFFORDABLE CARE ACT – Establish a CITY/CMCEA working group to: (a) evaluate the feasibility and advisability of developing a jointly sponsored wellness program; (b) determine the ramifications of, and possible opportunities created by, the Affordable Care Act; and (c) make appropriate recommendations.
 8. RETIREE MEDICAL PROGRAM – Continue the suspension of the employees’ Retirement Health Savings Plan (RHS) during the term of the agreement with no contributions by the City or employees during that period.
 9. TRANSPARENCY AND DISCLOSURE – Add the previously proposed Article XXVII (Transparency, Accountability and Full Disclosure) to the MOU.
 10. MOU PROVISIONS – Except as provided in this offer, all remaining terms and conditions of the September 1, 2004 – August 31, 2009 Memorandum of Understanding between the parties, including side letters where applicable, shall remain in full force and effect through the term of this agreement.
 11. NO LAYOFFS – No layoffs during the term of the agreement except in case of catastrophic fiscal emergency.