

OCTOBER 28, 2013

**COSTA MESA MUNICIPAL EMPLOYEES ASSOCIATION
BARGAINING PROPOSAL NO. 2**

1. TERM – Commencing on the date of adoption by the City Council and ending October 4, 2014.
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 shall pay the full normal rate of employee PERS contribution set by statute, which is currently as follows:

Employees hired prior to 3/11/12 (2.5%@55 benefit): 10.469% of compensation earnable.

Employees hired between 3/11/12 and 12/31/12 (2.0%@60 benefit): 8.0% of compensation earnable.

Employees hired 1/1/13 and thereafter (2.0%@62 benefit): 7.75% of compensation earnable.
 - (b) In addition, CMCEA bargaining unit employees shall 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. For example, commencing on the first pay period following adoption of this agreement by the City Council, CMCEA bargaining unit employees shall pay 1.555% of the 3.111% employer contribution rate increase for FY 2013-14.
 - (c) The City shall take all necessary 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. **LEAN - Establish a City/CMCEA working group to evaluate the feasibility and advisability of applying LEAN process analysis and improvement methods to City government.**
6. **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.**
7. **ALTERNATE WORK SCHEDULES – Where operationally feasible, reinstate 9/80 and/or 4/10 work schedules.**
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. **HOLIDAY CLOSURE – Close City Hall and all non-essential City facilities and functions from December 24, 2013 through January 1, 2014. Eligible employees may elect to use accrued leave time or leave time without pay for time off.**
10. **TRANSPARENCY AND DISCLOSURE – Add the previously proposed Article XXVII (Transparency, Accountability and Full Disclosure) to the MOU.**
11. **COMPLIANCE WITH MATERIAL TERMS AND CONDITIONS OF PREVIOUS MOUs - Delete Article 1.9.**
12. **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.**