

SIDE LETTER OF AGREEMENT

CITY OF COSTA MESA

AND

THE COSTA MESA POLICE MANAGEMENT ASSOCIATION

This Side Letter of Agreement (Agreement) between the City of Costa Mesa (City) and the Costa Mesa Police Management Association (Association) (collectively "Parties") is entered into with respect to the following:

WHEREAS, the Parties are currently parties to a Memorandum of Understanding (MOU) with a term that expires on June 30, 2022; and

WHEREAS, as a result of the impacts of COVID-19 on the City, the Parties have met and conferred for the purpose of achieving cost savings. This has resulted in the Parties agreeing to some modifications to their MOU; and

WHEREAS, the following memorializes the parties' agreement.

The Parties agree to the following modifications to their MOU effective the pay period including July 1, 2020 (i.e., June 21, 2020), as reflected by the track changes to each of the articles below. The City and CMPMA agree that the current MOU shall be continued and supplemented with the amendments:

ARTICLE 2 - TERM OF AGREEMENT

2.2 The term of this MOU will be extend from June 30, 2022, and expire in the pay period, which includes June 30, 2024.

2.3 The CMPMA has the option to reopen negotiations for increasing pay and benefits. Any changes to the MOU must be by mutual agreement of the parties. If the CMPMA elects to exercise, it must notify the City no later than April 1, 2023.

ARTICLE 3 - BASIC SALARIES AND WAGES

3.2 The City will adjust the monthly base salary for members of the Association as follows:

- Effective in the pay period which includes July 1, 2023, employees shall receive a 3 percent (3%) base salary increase.

3.3 FURLOUGHS

Each member of the Association is required to take a total of 104 hours of unpaid furlough during the twenty-six (26) consecutive pay periods between June 21, 2020 and June 19, 2021.

- The furlough hours will be utilized with the Department Director's approval and used by the pay period ending June 26, 2021. In lieu of using unpaid furlough hours, a member will be given the

option to use holiday and or vacation hours or money from the employee's flexible benefit account. If a member retires prior to pay period ending June 26, 2021, the furloughs will be prorated at four (4) hours bi-weekly.

- If the City receives financial relief from the County of Orange, State of California, or the Federal Government for any issues related to the impact of COVID-19 in excess of \$40.5 million for Fiscal Year 2020/2021, each member of the Association will receive a one-time bonus equivalent to furlough hours already taken (base rate x furlough hours).

The City will adjust the monthly base salary for members of the Association as follows:

ARTICLE 6 - RETIREE MEDICAL & 401 (a) DEFERRED COMPENSATION PLAN

6.1 **RETIREE MEDICAL** -. The Defined Contribution Retirement Health Savings Plan (Plan) went into effect on January 1, 2004 and payments made by the City were suspended in 2010. The purpose of the Plan was to establish a tax protected savings program for every full-time employee that:

- Provided a retiree medical benefit for employees who were hired after January 1, 2004 who will not be eligible for the health insurance contribution under the Council Policy 300-1.
- Provided a supplemental benefit to the City contribution under Council Policy 300-1 for employees hired before January 1, 2004.

The program requires mandatory participation by all full-time employees. ~~Employee makes a monthly contribution to the plan equal to 1% of their base salary. However, in 2010, payments by both the City and employees were permanently suspended. Up until 2010, employees made a monthly contribution to the plan equal to 1% of their base monthly salary, which was matched by a 1% salary monthly contribution from the City into employees' accounts.~~ The account assets ~~that~~ accumulated, plus investment earnings, will be used in retirement to pay health insurance premiums and other eligible out-of-pocket medical expenses such as deductibles, co-payments, vision care or dental care. ~~The previously made e~~Employee contributions plus vested employer contributions are portable if an employee should leave employment with Costa Mesa prior to retirement.

The city agrees to reinstitute the Plan starting January 1, 2021 through the terms of this MOU/side letter agreement. Effective in the pay period which includes July 1, 2022, employees shall receive a one percent (1.0%) matching contribution from the city.

~~However, since 2010, no additional funds (either City funds or employee funds) were added to the plan and the funds are currently earning interest and will be available to employees at retirement.~~

For all employees in the unit, the City will pay the CalPERS statutory minimum for each member of the bargaining unit for retiree medical benefits.

ARTICLE 18 – LAYOFF PROCEDURES

18.2 During fiscal year 2020-21, the City agrees that employees covered by this memorandum of understanding cannot be subject to layoff from City employment or demoted as a result of a financial restructuring or realignment.

REPRESENTATIVES OF THE COSTA MESA
POLICE MANAGEMENT ASSOCIATION

OF

REPRESENTATIVES OF THE CITY
COSTA MESA

Lieutenant Edwin Everett
CMPMA President

LORI ANN FARRELL HARRISON
City Manager

Lieutenant Joyce LaPointe
CMPMA Negotiations Team Member

SUSAN PRICE
Assistant City Manager

Lieutenant Jerry Hildeman
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KASAMA LEE
Acting Human Resources Manager

ITZIA CARVAJAL
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