

SIDE LETTER

CITY OF COSTA MESA

AND

THE COSTA MESA DIVISION MANAGERS ASSOCIATION

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

WHEREAS, the Parties agree that they have historically treated the Resolution setting forth the compensation plan and salary ranges for this Association as the equivalent of a Memorandum of Understanding; and

WHEREAS, the current collective bargaining agreement between the City and the Association is reflected in Resolution 17-26, which sets forth the current Compensation Plan and Salary Ranges for classifications represented by the Association; and

WHEREAS, as a result of the impacts of COVID-19 on the City, the Parties have met for the purpose of achieving cost savings. This has resulted in the Parties agreeing to some modifications to Resolution 17-26; and

WHEREAS, the following memorializes the parties' agreement.

The Parties agree to the following modifications to Resolution 17-26 effective the pay period including July 1, 2020 (i.e., June 21, 2020), as set forth below:

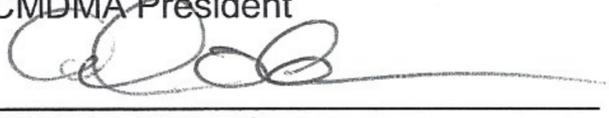
1. This Side Letter is effective at 12:00 a.m. on June 21, 2020 (the first day of the pay period including July 1, 2020) and sunsets at 11:59 p.m. on June 19, 2021, provided, however, that the additional executive leave provided for in section 4 below may continue to be used only as provided therein. When this Side Letter sunsets, all of its terms modifying Resolution 17-26 end unless the Parties modify their agreement. The terms of Resolution 17-26 reflecting the parties current collective bargaining agreement will be reinstated at that time, except as otherwise provided herein.
2. During the term of this Side Letter, employees in the Association will be subject to a five percent (5%) furlough. This means that they will be scheduled to work five percent (5%) less hours and will receive five percent (5%) less pay during the term of this Side Letter. The manner and method by which the furlough or reduction in pay (equivalent to the dollar savings of a 5% furlough) will be accomplished will be subject to a mutual agreement of the Parties.
3. During the term of this Side Letter, the City agrees that employees in the Association cannot be subject to layoff from City employment.
4. Section 6 of Resolution # 17-26 is set forth below. For calendar year 2021, the City shall grant Executive Leave to management personnel not to exceed one-hundred (100) hours. Section 6, as set forth below will continue to apply in calendar year 2020. Unless changed by a future modification, current Section 6 will apply in 2022. The increase to one hundred (100) hours of Executive Leave is only for calendar year 2021. Between January 1 and June 19, 2021, only 40 hours of Executive Leave may be used. From June 20, 2021 through December 31, 2021, employees may use the entire Executive Leave bank remaining to them from those provided for calendar year 2021. Executive Leave cannot be cashed out and unused Executive Leave does not carry over to subsequent years, and is otherwise restricted as provided in Administrative Regulation 2.19.

SECTION 6. Effective December 24, 2017, the City shall grant Executive Leave to management personnel not to exceed forty (40) hours per year. The City Manager may grant an additional sixty (60) hours of Executive Leave.

5. During the term of this Side Letter, employees in the Association are not permitted to cash out any of their vacation leave. Vacation accrual cap will be increased by 20 hours through December 31, 2021. When an employee submits a timely vacation leave request and the City Manager must deny the request or cancel a scheduled vacation due to operational needs of the City and/or Department, an exception may be granted by the City Manager. If such an exception is granted, an employee may be allowed to exceed the vacation accrual cap.
6. 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 (base rate x furlough hours) or other reduction already taken.
7. Effective July 1, 2021, the terms of the Parties' Agreement as reflected in Resolution No. 17-26 shall revert to the original terms, subject to the following additional provisions:
 - (i) If any bargaining unit in the City receives (through the labor negotiations process) a net base salary or certification/specialty/incentive pay increase that goes into effect on any date between July 1, 2022 and June 30, 2023, employees in the Association will receive the same net base salary or certification/specialty/incentive increase on the same effective date as that association. If more than one other association receives a base salary or certification/specialty/incentive increase (through the labor negotiations process) on any date between July 1, 2022 and June 30, 2023, employees in the Association will receive the higher increase provided on the same effective date.
 - (ii) If any bargaining unit in the City receives (through the labor negotiations process) a net base salary or certification/specialty/incentive pay increase that goes into effect on any date between July 1, 2023 and June 30, 2024, employees in the Association will receive the same net base salary or certification/specialty/incentive pay increase on the same effective date as that association. If more than one other association receives a base salary or certification /specialty/incentive increase (through the labor negotiations process) on any date between July 1, 2023 and June 30, 2024, employee in the Association will receive the higher increase provided on the same effective date.

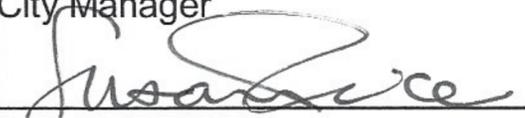
REPRESENTATIVES OF THE COSTA MESA
DIVISION MANAGERS ASSOCIATION

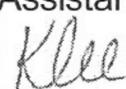

DANE BORA
CMDMA President

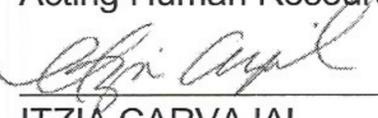

TONY DODERO
CMDMA Secretary

REPRESENTATIVES OF THE CITY OF
COSTA MESA


LORI ANN FARRELL HARRISON
City Manager


SUSAN PRICE
Assistant City Manager


KASAMA LEE
Acting Human Resources Manager


ITZIA CARVAJAL
Acting Human Resources Administrator