SIDE LETTER OF AGREEMENT

CITY OF COSTA

AND

THE COSTA MESA FIREFIGHTERS ASSOCIATION

This Side Letter of Agreement (Agreement) between the City of Costa Mesa (City) and the Costa Mesa Firefighters 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, 2021; 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 including a three-year extension of the term of the MOU; and

WHEREAS, the following memorializes the parties' agreement.

1. 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.

ARTICLE 1 - RECOGNITION/PREAMBLE

1.11 During the term of this MOU, the parties agree either side can propose MOU language to clean up provisions which are either outdated or in need of modification. Any language changes must be mutually agreeable.

ARTICLE 2 - TERM OF AGREEMENT

2.1 **TERM -** The MOU will commence upon adoption by the City Council in 2017, and will expire on June 30, 2024~~1~~.

ARTICLE 3 - BASIC SALARIES AND WAGES

3.4 POTENTIAL INCREASE(S) DURING FISCAL YEARS 2022-23 and 2023-2024 -

If any other bargaining unit in the City receives (through the labor negotiations process) an across-the-board net base salary or certification/specialty/incentive pay, or Retiree Health Savings increase in excess of 2% (the value of the 14-day FLSA work period) that goes into effect on any date between July 1, 2022 and June 30, 2024, employees in the CMFA will receive an increase in the amount above two percent (2%) on the same effective date as the other association. For example, if another association receives an increase in salary or certification/specialty/incentive pay increase equal to three percent (3%), the amount above two percent (2%) will be provided to the Association. For further clarification, if another association receives a 2% increase 7/1/2022 and then receives a second 2% increase 7/1/2023 then the CMFA would likewise receive a 2% increase on 7/1/2023 because the combined total increase for the other association is 4% making a 2% difference above the cost of the 14 day cycle.

ARTICLE 5 - HEALTH INSURANCE

5.3 **CONTRIBUTION AMOUNT** - The City's contribution towards each employee's flexible benefit account is as follows: Effective on the first day of the month following City Council approval of this MOU – two thousand one hundred and nineteen dollars ($2,119.00) per month ($978.00 per pay period). This amount is inclusive of the CalPERS statutory minimum amount for each year.

Effective with the pay period beginning on July 19, 2020 and ending twenty-four (24 pay periods later (the pay period that ends on June 19, 2021), the City's contribution to the flexible benefit plan bucket is reduced as follows:

- For the classification of Firefighter, the City's annual contribution is reduced by $3,960.00 = $165.00 per pay period
- For the classification of Fire Engineer, the City's annual contribution is reduced by $4,573.20 = $190.55 per pay period
- For the classification of Fire Captain, the City's annual contribution is reduced by $5,282.40 = $220.10 per pay period

With the pay period beginning on June 20, 2021 the City's contribution is restored to nine hundred and seventy eight dollars ($978.00) per pay period.

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 payment equivalent to the amount of the flexible bucket reduction already taken. If this occurs in the middle the fiscal year, the flexible benefit reduction above will stop in the next pay period.

ARTICLE 10 - LEAVE REPLACEMENT AND OVERTIME PAY

10. 1 **FLSA WORK PERIOD** - The parties acknowledge and agree to document that the City has adopted a work period pursuant to 29 U.S.C. section 207(k) and 29 C.F.R. section 553.230(a) for CMFA members and that the work period is 28 days. Members will not be entitled to overtime under the Fair Labor Standards Act until they have worked more than 212 hours in this work period. Firefighters on light duty are not subject to this work period. Effective June 19, 2022, the work period is changed to a fourteen (14) day FLSA work period where members are entitled to overtime under the Fair Labor Standards Act when they have worked more than 106 hours in this work period.

ARTICLE 24 – LAYOFF PROCEDURES

24.2 During fiscal year 2020-21, the City agrees that employees covered by this memorandum of understanding cannot be subject to layoff from City employment.

REPRESENTATIVES OF THE COSTA MESA FIREFIGHTERS ASSOCIATION

SCOTT PURCELL
CMFA President

STEVE AIREY
CMFA Negotiations Team Member

DARREN DEFLUITER
CMFA Negotiations Team Member

MICHAEL HURD
CMFA Negotiations Team Member

STEVE SAVAGE
CMFA Negotiations Team Member

BRENT TURNER
CMFA Negotiations Team Member

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