SIDE LETTER OF AGREEMENT

CITY OF COSTA

AND

THE COSTA MESA FIRE MANAGEMENT ASSOCIATION

This Side Letter of Agreement (Agreement) between the City of Costa Mesa (City) and the Costa Mesa Fire 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 including a two-year extension of the term of the 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.

ARTICLE 1 – RECOGNITION/PREAMBLE

1.10 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the term of this MOU, the parties agree either side can propose MOU language to clean up provisions which are either outdated or in need of modification.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 term of this ~~five year~~ MOU will commence on July 1, 2017, and will expire on June 30, 2024~~2~~.

ARTICLE 3 - BASIC SALARIES AND WAGES

3.2 **SALARY ADJUSTMENTS** – The salary adjustments will be implemented for the benchmark class of Battalion Chief and applied equally to Division Chief. The City will adjust the monthly base salary for CMFMA members based on the following:

First Year of the Agreement - Effective the pay period that includes July 1, 2017, monthly base salary of represented employees shall be increased by 4.5%

Second Year of the Agreement - Effective the pay period that includes July 1, 2018, monthly base salary of represented employees shall be increased by 4.5%

Third Year of the Agreement - Effective the pay period that includes July 1, 2019, monthly base salary of represented employees shall be increased by 4%

Fourth Year of the Agreement - Effective the pay period that includes July 1, 2020, monthly base salary of represented employees shall be increased by 3%

Fifth Year of the Agreement - Effective the pay period that includes July 1, 2021, monthly base salary of represented employees shall be increased by 2%

Sixth Year of the Agreement - If any other 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 CMFMA will receive the same net base salary or certification/specialty/incentive pay increase on the same effective date as the other association.

Seventh Year of the Agreement - If any other 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 CMFMA will receive the same net base salary or certification/specialty/incentive pay increase on the same effective date as the other association.

In the sixth and seventh year of the agreement, if more than one 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 ~~and~~or between July 1, 2023 and June 30, 2024, employees in the CMFMA will receive the higher increase provided on the same effective date as the other association. For example, if one of the City's employee associations receives a one percent (1%) increase on July 1, 2023 and other association receives a one and one half percent (1.5%) increase on the same day, the employees in the CMFMA will receive the 1.5% increase on July 1, 2023. However, if the association whose increase is 1.5% goes into effect on January 1, 2024, the employees in the CMFMA will receive a 1% increase on July 1, 2023 and another .5% increase on January 1, 2024.

ARTICLE 5 - HEALTH INSURANCE

5.3 **CONTRIBUTION AMOUNT** –The City shall contribute an amount toward the executive flexible benefit plan bucket (which includes the PERS statutory minimum) for the payment of premiums for affected employees and dependents based upon the following criteria:

- Full family coverage for the PERS Choice medical plan under the California Public Employees' Retirement System (CALPERS) health insurance programs
- Full family coverage for the Dental Indemnity plan
- Full premium payment for Life Insurance
- Long Term Disability premium will be based upon the top step salary of the highest-salaried Division Manager within the classified service
- Effective with the pay period beginning on June 21, 2020 and ending twenty-six (26 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 Division Chief, the City's contribution is reduced by three hundred and fifty-nine dollars ($359.00) per pay period.
  - For the classification of Battalion Chief, the City's contribution is reduced by three hundred and twelve dollars ($312.00) 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 bonus equivalent to the reduction already taken.

Any amounts necessary to maintain benefit premiums in excess of the City contribution specified above shall be borne entirely by the executive employee.

ARTICLE 21 - SICK LEAVE PROGRAM

21.1 **SICK LEAVE** - Sick leave shall be used in case of a bona fide illness of the employee upon approval. Sick leave may also be used for serious illness or emergency of his or her child, parent, spouse or registered domestic partner, grandparent, grandchild and sibling who is incapacitated and/or requires the service of a physician, and when the presence of the employee is required. The maximum number of hours that may be used for serious illness or emergency of his or her child, parent, spouse or registered domestic partner, grandparent, grandchild and sibling is half of the employee's annual accrual pursuant to Labor Code Section 233. At the conclusion of the emergency, said employee shall return to work as soon as possible. The employee taking such sick leave shall notify their immediate supervisor prior to or within one-half (1/2) hour after the time set for the beginning of his/her daily duties, or as otherwise specified by the department. When absence for illness is for more than two (2) consecutive work shifts, the employee may be required to present a physician's certificate verifying the illness or a personal letter of explanation for verification purposes to the Fire Chief indicating fitness to return to duty.

21.2 **ACCUMULATION OF SICK LEAVE** - Employees may accumulate up to a maximum of 672 hours of sick leave credit in a Primary Sick Leave Bank for each employee covered hereunder. CMFMA Members will receive 3.69 hours (5.16 hours for 56 hour members) of sick leave per pay period.

Effective June 21, 2020, CMFMA Members will receive 1.11 additional hours of sick leave (1.56 additional hours for 56 hour members) totaling 4.8 hours (6.72 for 56 hour members) of sick leave per pay period that will be deposited in each employee's Primary Sick Leave Bank as addressed in Section 21.3 below. Upon reaching this maximum number of accumulated sick leave hours, the employee's biweekly benefit will be distributed in the following manner:

A. At the employee's option, 1.84 hours (2.58 hours for 56 hour members) will be:

1. Paid to the employee at the employee's then current hourly base rate of pay.

2. Converted into vacation hours.

B. The remaining 2.96 hours (4.14 hours for 56 hour members) will be placed in a Secondary Sick Leave Bank for the employee.

Effective June 20, 2021 CMFMA Members will receive 4.80 hours (6.72 hours for 56 hour members) of sick leave per pay period that will be deposited in each employee's Primary Sick Leave Bank as addressed in Section 21.3 below. Upon reaching this maximum number of accumulated sick leave hours, the employee's biweekly benefit will be distributed in the following manner:

A. At the employee's option, 2.4 hours (3.36 hours for 56 hour members) ~~one-half of the benefit~~ will be:

1. Paid to the employee at the employee's then current hourly base rate of pay.

2. Converted into vacation hours.

B. The remaining 2.4 hours (3.36 hours for 56 hour members)~~one-half benefit~~ will be placed in a Secondary Sick Leave Bank for the employee.

21.3 **PRIMARY SICK LEAVE BANK** - Hours in this bank may be used in accordance with the rules regarding sick leave use in general as defined in the City's Personnel Rules and Regulations..

21.4 **SECONDARY SICK LEAVE BANK** – If an employee has a Secondary Sick Leave Bank, hours in that bank will be used first in accordance with the rules regarding sick leave use. Hours in this bank may also be used in the event of a verified non-industrial disability which has resulted in an absence of 60 consecutive calendar days. In this event, sick leave in the Secondary Sick Leave Bank may be used for additional consecutive absences resulting from the disability; or it may be used to supplement LTD should that event occur. Additionally, an amount of sick leave equal to the hours used from an employee's Primary Bank for said disability may be transferred from the employee's secondary Bank to the Primary, provided that such transfer does not result in an excess of 672 hours in the employee's Primary Bank. The secondary sick leave bank has no maximum accrual.

21.5 **SEPARATION FROM CITY** - Upon either separation from the City of Costa Mesa, with a minimum of 20 years of continuous honorable service; or eligibility for retirement benefits, (as defined in the benefit Plan applied for) the employee shall have the option of:

A. Being paid at his/her current hourly base rate for one-half of the sick leave in his/her Primary Sick Leave Bank. There shall be no cash payment for sick leave in the Secondary Sick Leave Bank, or

B. Alternatively, the employee can choose to apply all credited time in both his or her Primary and Secondary Sick Leave Banks toward service credit. In addition, if this alternative is selected, then the payoff indicated in 21~~19~~.54a above becomes a survivor benefit, to be paid to his/her designated beneficiary.

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 FIRE MANAGEMENT ASSOCIATION

JASON PYLE
CMFMA President

CHRISTOPHER COATES
CMFMA Negotiations Team Member

WILLIAM KERSHAW
CMFMA Negotiations Team Member

TIMOTHY VASIN
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REPRESENTATIVES OF THE CITY OF COSTA MESA

LORI ANN FARRELL HARRISON
City Manager

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KASAMA LEE
Acting Human Resources Manager

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