



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-338

Meeting Date: 6/17/2025

TITLE:

ADOPTION OF THE AGREEMENTS FOR SUCCESSOR MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF COSTA MESA (CITY) AND THE COSTA MESA POLICE ASSOCIATION (CMPA), THE COSTA MESA POLICE MANAGEMENT ASSOCIATION (CMPMA), THE COSTA MESA CITY EMPLOYEES ASSOCIATION (CMCEA) AND THE CONFIDENTIAL UNIT AND THE ADOPTION OF ACCOMPANYING SALARY RESOLUTIONS

DEPARTMENT: CITY MANAGER'S OFFICE- HUMAN RESOURCES DIVISION

PRESENTED BY: KASAMA LEE, HUMAN RESOURCES MANAGER

CONTACT INFORMATION: KASAMA LEE, HUMAN RESOURCES MANAGER (714) 754-5169

RECOMMENDATION:

Staff recommends the City Council:

1. Approve and Adopt Agreement for Successor MOU between the City of Costa Mesa and CMPA (Attachment 1).
2. Approve and Adopt Agreement for Successor MOU between the City of Costa Mesa and CMPMA (Attachment 2).
3. Approve and Adopt Agreement for Successor MOU between the City of Costa Mesa and CMCEA (Attachment 3).
4. Approve and Adopt Resolution Number 2025-20 revising the pay ranges for CMPA (Attachment 4).
5. Approve and Adopt Resolution Number 2025-21 revising the pay ranges for CMPMA (Attachment 5).
6. Approve and Adopt Resolutions Number 2025-22, 2025-23 and 2025-24 revising the pay ranges for CMCEA (Attachments 6, 7 and 8).
7. Approve and Adopt Resolutions Number 2025-25, 2025-26 and 2025-27 revising the pay ranges for the Confidential Unit (Attachments 9, 10 and 11).
8. Approve the Fiscal Impact Analyses (Attachment 12).
9. Authorize the Interim City Manager and members of the City's Negotiation Team to execute the Letters of Agreement documents.

BACKGROUND:

The current Memoranda of Understanding (MOU) for Costa Mesa Police Association (CMPA), Costa Mesa Police Management Association (CMPMA), and Costa Mesa City Employees Association (CMCEA) are scheduled to expire on June 30, 2025. Representatives from CMPA, CMPMA, and CMCEA had requested the City begin discussions on a successor MOU.

The City's negotiation team held a series of collaborative and productive meetings with each unit's negotiation team, which resulted in the attached tentative Agreements. (Attachments 1 - 3)

ANALYSIS:

The following are the key provisions of the negotiated Agreements for each unit:

CMPA

- Term of Agreement
 - July 1, 2025 - June 30, 2026
- Salaries and Wages
 - Effective the payroll that includes July 1, 2025, a 4% increase
- Recruitment and Retention Incentive Pay
 - Effective the payroll that includes July 1, 2025, a 2.5% increase in each tier as follows:
 - 12.5% Incentive Pay at 25 years of service
 - 10% Incentive Pay at 20 years of service
 - 7.5% Incentive Pay at 15 years of service
 - 5% Incentive Pay at 10 years of service
- Health Contribution
 - Effective the pay period that includes July 1, 2025, a \$300 increase to the City's contribution towards the flexible benefit for a total of \$2,419 per month

CMPMA

- Term of Agreement
 - July 1, 2025 - June 30, 2026
- Salaries and Wages
 - Effective the payroll that includes July 1, 2025, a 4% increase
- Recruitment and Retention Incentive Pay
 - Effective the payroll that includes July 1, 2025, a 2.5% increase in each tier as follows:
 - 12.5% Incentive Pay at 25 years of service
 - 10% Incentive Pay at 20 years of service
 - 7.5% Incentive Pay at 15 years of service

- 5% Incentive Pay at 10 years of service
- Health Contribution
 - Effective the pay period that includes July 1, 2025, a \$300 increase to the City's contribution towards the flexible benefit for a new total of \$2,419 per month
- Holiday Pay
 - Elimination of Holiday Pay benefit
- Certification Pay
 - Creation of new certification pay program to incorporate current POST pays and additional certification options
 - New maximum certification pay of 15%
 - Creation of a new certification pay program in conjunction with elimination of the holiday pay benefit will result in a 0% increase for Police Lieutenants and a 5% increase for Police Captains.

CMCEA*

**The below provisions will also apply to non-represented Confidential employees*

- Term of Agreement
 - July 1, 2025 - June 30, 2026
- Salaries and Wages
 - Effective the payroll that includes July 1, 2025, a 2% increase
 - Effective the payroll that includes January 1, 2026, a 2% increase
 - Effective the payroll that includes April 1, 2026, a 2% increase
 - The CMCEA salary resolution (Attachments 6, 7 & 8) will also include the adjustments resulting from the annual CMCEA compensation study requests that were included in the adopted FY 2025/2026 budget.
- Health Contribution
 - Effective the pay period that includes January 1, 2026, a \$50 increase to the City's contribution towards the flexible benefit for a new total of \$1,700 per month
 - Effective the pay period that includes June 1, 2026, a \$100 increase to the City's contribution towards the flexible benefit for a new total of \$1,800 per month

The CMPA, CMPMA and CMCEA negotiating teams have tentatively agreed to the above provisions, and ratification process for all groups has been completed.

The Human Resources Division will be incorporating the terms of the Agreements along with applicable existing provisions from MOUs and Side Letters and will also include mutually agreed upon "clean up" of provisions that are either outdated or in need of modification. This is in order to comply with the California Public Employees Retirement System requirements. The updated MOUs will be brought back for approval at a future City Council meeting.

ALTERNATIVES:

The parties to these agreements considered a variety of issues in the context of good faith negotiations in accordance with Government Code section 3500, et seq. (Meyer-Milias-Brown Act). The CMPA, CMPMA and CMCEA members have ratified the tentative agreements. These Agreements represent the successful conclusion of labor negotiations, and alternatives need not be considered as a result of collaborative efforts expended.

FISCAL REVIEW:

Fiscal Impact Analyses (Attachment 12) were prepared pursuant to the City Council Policy 300-8 Transparency in Labor Negotiations, and certified by LSL, the City's external auditor. The FY 2025/26 estimated fiscal impact for each labor group is: CMPA is \$1.6 million, CMPMA at \$313,221, CMCEA at \$1.3 million, and CMCEA-Confidential at \$299,601. The tentative agreements are included in the FY 2025/26 Adopted Budget. Fiscal Year 2026/27 is estimated to be impacted by \$1.5 million.

LEGAL REVIEW:

The City's special counsel, Liebert Cassidy Whitmore (LCW), and City Attorney's Office have reviewed the agreements and resolutions and this report and approved them as to form.

CITY COUNCIL GOALS AND PRIORITIES:

The proposed Agreements and salary range adjustments support the City's Strategic Plan Goals to Recruit and Retain High Quality Staff and Strengthen the Public's Safety and Improve the Quality of Life.

CONCLUSION:

Staff recommends the City Council:

1. Approve and Adopt Agreement for Successor MOU between the City of Costa Mesa and CMPA (Attachment 1).
2. Approve and Adopt Agreement for Successor MOU between the City of Costa Mesa and CMPMA (Attachment 2).
3. Approve and Adopt Agreement for Successor MOU between the City of Costa Mesa and CMCEA (Attachment 3).
4. Approve and Adopt Resolution Number 2025-20 revising the pay ranges for CMPA (Attachment 4).
5. Approve and Adopt Resolution Number 2025-21 revising the pay ranges for CMPMA (Attachment 5).
6. Approve and Adopt Resolutions Number 2025-22, 2025-23 and 2025-24 revising the pay ranges for CMCEA (Attachments 6, 7 and 8).

7. Approve and Adopt Resolutions Number 2025-25, 2025-26 and 2025-27 revising the pay ranges for the Confidential Unit (Attachments 9, 10 and 11).
8. Approve the Fiscal Impact Analyses (Attachment 12).
9. Authorize the Interim City Manager and members of the City's Negotiation Team to execute the Letters of Agreement documents.