



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 23-1106

Meeting Date: 3/21/2023

TITLE:

ADOPTION OF THE SIDE LETTERS OF AGREEMENT BETWEEN THE CITY OF COSTA MESA (CITY) AND THE COSTA MESA POLICE MANAGEMENT ASSOCIATION (CMPMA), THE COSTA MESA FIRE MANAGEMENT ASSOCIATION (CMFMA), THE COSTA MESA FIREFIGHTERS ASSOCIATION (CMFA), ADOPTION OF ACCOMPANYING SALARY RESOLUTIONS FOR THE CMPMA, CMFMA, CMFA, COSTA MESA DIVISION MANAGERS ASSOCIATION (CMDMA), EXECUTIVE EMPLOYEES, AND THE CONFIDENTIAL MANAGEMENT UNIT

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 the Side Letter of Agreement between the City of Costa Mesa and CMPMA (Attachment I);
2. Approve and Adopt the Side Letter of Agreement between the City of Costa Mesa and CMFMA (Attachment II);
3. Approve and Adopt the Side Letter of Agreement between the City of Costa Mesa and CMFA (Attachment III);
4. Approve and Adopt Resolution Numbers 2023-XX, 2023-XX, 2023-XX, 2023 -XX, 2023-XX, and 2023-XX revising the pay ranges for CMPMA, CMFMA, CMFA, CMDMA, Unrepresented Executive Employees and the Confidential Management Unit (Attachments IV - IX);
5. Approve the Fiscal Impact Analyses (Attachment X); and
6. Authorize the City Manager and members of the City's Negotiation Team to execute the MOU documents and appropriate into the respective departmental budgets.

BACKGROUND:

In November 2022, the City Council approved two labor contract extensions and certain key compensation changes to help recruit, attract and retain high quality staff in the Costa Mesa City

Employees Association (CMCEA) and the Costa Mesa Police Association (CMPA) due to an expiring contract, and a “reopener” clause in the other, respectively.

The approved agreements included the following key provisions:

Costa Mesa Police Association (CMPA)

- 2% base salary increase effective January 2023
- Additional 3% base salary increase effective July 2023 (net 5% including 2% previously negotiated)
- 4.25% base salary increase effective July 2024
- Reduction of 1.25% of employee retirement cost sharing
- 0.5% deferred compensation contribution
- A Recruitment and Retention Incentive of 2.5%, 5%, 7.5% and 10% based on years of service with the City; and a specialty pay of 5% (net) for certain highly specialized assignments

Costa Mesa City Employees Association (CMCEA)

- 2% base salary increase effective January 2023
- 3% base salary increase effective July 2023
- 3% base salary increase effective July 2024
- Reduction of 3% in employee retirement cost sharing
- Health contribution increase of \$50/month effective January 2023, 2024 & 2025
- 0.5% deferred compensation contribution
- Updates to standby, vacation, sick leave and shift assignment pay provisions

ANALYSIS:

All of the agreements previously negotiated during the pandemic included “me too” or “reopener” provisions. As such, the approval of the two aforementioned contracts (CMCEA and CMPD) led to discussions with the City’s other employee associations regarding commensurate changes to their contracts.

The City’s Negotiation Team and representatives from each group held discussions regarding these provisions and the results of the discussions have been compiled in the proposed Side Letters of Agreement and Council Resolutions as follows:

Costa Mesa Police Management Association (CMPMA)

- One (1) year contract extension to June 30, 2025
 - Effective January 2023, a 2% base salary increase
 - Effective July 2023, an additional 2.0% base salary increase (above the 3% base salary increase negotiated in June 2020, for a total of 5%)
 - Effective July 2024, a 4.25% base salary increase
- Effective July 2023 reduction of 1.25% of employee cost sharing, which will require future City Council approval to amend the City’s current cost sharing agreement with

- CalPERS via Government Code 20516(a).
- Recruitment and Retention Incentive
 - Effective January 2023, 10% of base salary for 25 years of sworn service
 - Effective July 2024, 7% for 20 years of sworn service and 5% for 15 years of sworn service
 - Effective January 2025, 2.5% for 10 years of sworn service
- Addition of Professional Standards Unit, Administration and Investigation assignments for 2.5% specialty assignment pay

Costa Mesa Fire Management Association (CMFMA)

- No change to original contract term ending on June 30, 2024
- Effective January 2023, a 2% base salary increase
- Effective July 2023, a 5% base salary increase
- Effective July 2023 reduction of 1.25% of employee cost sharing, which will require future City Council approval to amend the City's current cost sharing agreement with CalPERS via Government Code 20516(a).
- Effective January 2023, Recruitment and Retention Incentive of 10% of base salary for 25 years of sworn service

Costa Mesa Firefighters Association (CMFA)

- No change to original contract term ending on June 30, 2024
- Effective January 2023, a 2% base salary increase
- Effective July 2023, a 5% base salary increase
- Effective July 2023 reduction of 1.25% of employee cost sharing, which will require future City Council approval to amend the City's current cost sharing agreement with CalPERS via Government Code 20516(a).
- Effective January 2023, Recruitment and Retention Incentive of 10% of base salary for 25 years of sworn service

Costa Mesa Division Managers Association (CMDMA)

- No change to original contract term ending on June 30, 2024
- Effective January 2023, a 2% base salary increase
- Effective July 2023, a 5% base salary increase
- Effective July 2023 reduction of 1.25% of employee cost sharing, which will require future City Council approval to amend the City's current cost sharing agreement with CalPERS via Government Code 20516(a).

Unrepresented Employees (Executives and Confidential Management Unit)

- No change to original contract term ending on June 30, 2024
- Effective January 2023, a 2% base salary increase
- Effective July 2023, a 5% base salary increase
- Effective July 2023 reduction of up to 3% of employee cost sharing depending on retirement tier, which will require future City Council approval to amend the City's current cost sharing agreement with CalPERS via Government Code 20516(a).
- Conversion of Holiday pay to Certification pay for Police Chief to ensure there is no reduction in pensionable compensation for this key position due to the recent CalPERS

denial of PERSable Holiday Pay for Police Chiefs statewide. This only impacts this one position in the City.

The proposed Side Letters of Agreement and Council Resolutions take into consideration specific objectives that align with the City Council's Strategic Plan Goals - *Recruit, Retain High Quality Staff and Strengthen the Public's Safety and Improve Quality of Life* and the City's improved financial health as the proposed provisions have financial implications.

Staff has prepared the necessary documents for City Council consideration of an adjustment to its compensation.

ALTERNATIVES:

The parties to this agreement 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 Side Letters of Agreement represent the successful conclusion of labor negotiations, and alternatives need not be considered as a result of collaborative efforts expended.

FISCAL REVIEW:

The Fiscal Impact Analysis prepared pursuant to City Council Policy 300-8 Transparency in Labor Negotiations, recognizes the current Fiscal Year 2022-23 pro-rated increase is estimated at \$342,271, and will take effect during the payroll cycle as stated in the side letters. The estimated annual impact to the City's Fiscal Year 2023-24 budget is included in Attachment X and totals \$1.8 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.

CONCLUSION:

Staff recommends the City Council:

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5. Approve the Fiscal Impact Analyses (Attachment X); and

6. Authorize the City Manager and members of the City's Negotiation Team to execute the MOU documents and appropriate into the respective departmental budgets.