77 Fair Drive
Costa Mesa, CA 92626

CITY OF COSTA MESA

Agenda Report

File #: 26-396 **Meeting Date:** 9/1/2026

TITLE:

ADOPTION OF THE AGREEMENTS FOR SUCCESSOR MEMORANDA 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, AND CMCEA ANNUAL COMPENSATIONS UPDATES

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 2026-XX revising the pay ranges for CMPA (Attachment 4).
5. Approve and Adopt Resolution Number 2026-XX revising the pay ranges for CMPMA (Attachment 5).
6. Approve and Adopt Resolutions Number 2026-XX and 2026-XX revising the pay ranges for CMCEA (Attachments 6 and 7).
7. Approve and Adopt Resolution Number 2026-XX revising the pay ranges for the Confidential Unit (Attachment 8).
8. Approve and Adopt Resolution Number 2026-XX revising the pay ranges for Deputy Police Chief (Attachment 9)

9. Approve and Adopt Resolution Number 2026-XX revising the pay ranges for Police Recruit (Attachment 10).
10. Approve and Adopt Resolution Number 2026-XX revising the pay range for Reserve Senior Public Safety Dispatcher (Attachment 11).
11. Authorize the City Manager and members of the City's Negotiation Team to execute the Memoranda 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) expired on June 30, 2026. Representatives from CMPA, CMPMA, and CMCEA 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)

As a result of the proposed MOUs, staff is also proposing salary adjustments for various positions in the Police Department.

Additionally, the CMCEA MOU contains a provision for CMCEA to request up to five (5) compensation inequity and five (5) classification studies each year. This allows for five (5) classifications in this bargaining unit to be analyzed by Human Resources. Staff have completed the CMCEA requested compensation-inequity studies for 2026, resulting in recommended market adjustments for five classifications.

ANALYSIS:

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

CMPA

- Term of Agreement
  - July 1, 2026 - June 30, 2028
- Salaries and Wages
  - Effective the payroll that includes July 1, 2026, a 2% increase
  - Effective the payroll that includes January 1, 2027, a 2% increase
  - Effective the payroll that includes July 1, 2027, a 2% increase
  - Effective the payroll that includes January 1, 2028, a 2% increase
- Restructure of the Police Sergeant Salary Range
  - Effective the payroll period that includes July 1, 2026 - restructure of the Police Sergeant salary range from its current seven (7) step structure to a new five (5) step structure.
  - This new structure eliminates the 1st four steps of the current structure, which are no

longer in use and adds two additional steps (5% each) to the top of the range.

- Health Contribution
  - Effective the pay period that includes May 1, 2027, a $200 monthly increase to the City's contribution towards the flexible benefit for a total of $2,619 per month.

- Court Compensation (Standby/On-Call/Court Appearance)
  - Memorializes current process and procedures for off-duty employees who are subpoenaed for court and placed on standby for morning and afternoon court sessions and for court appearance.
  - Effective the pay period that includes July 1, 2026, increase from one- and one-half hours (1.5) to two hours (2.0) when an employee is required to be on standby during off duty hours on a regularly scheduled work day.

- Bilingual Pay
  - Effective the pay period that includes July 1, 2026 - conversion of bilingual pay from a flat rate based on top step Sr. Police Officer (currently an inactivate classification) to 2.5% or 5% of base salary (depending on proficiency)

- Shift Differential Pay
  - Effective July 1, 2026, employees who are assigned to work an AM patrol shift shall receive shift differential of 3.0% of base salary for all hours worked on their assigned shift.
  - Shift Differential also applies to the AM workday for employees assigned to work the Waterfall shift (shift where an employee works a Day, AM and PM shift on each workweek)

- Uniform Allowance
  - Effective July 1, 2026, a $500 annual increase for employees who are assigned to plain clothes assignments for a total of $1,000 annually.

CMPMA

- Term of Agreement
  - July 1, 2026 - June 30, 2028
- Salaries and Wages
  - Effective the payroll that includes July 1, 2026, a 2% increase
  - Effective the payroll that includes January 1, 2027, a 2% increase
  - Effective the payroll that includes July 1, 2027, a 2% increase
  - Effective the payroll that includes January 1, 2028, a 2% increase
  -
- Restructure of the Police Lieutenant Salary Range
  - Effective the payroll period that includes July 1, 2026 - restructure of the Police Lieutenant salary range from its current seven (7) step structure to a new four (4) step

structure and includes a 10.25% differential from Step 4 of Police Sergeant salary range.
    - Effective the payroll period that includes July 1, 2027 - restructure of the Police Lieutenant salary range from its current four (4) step structure to a new three (3) step structure by eliminating Step 1 and includes a 10.25% differential from Step 5 of Police Sergeant salary range.

- Health Contribution
    - Effective the pay period that includes July 1, 2027, a $200 monthly increase to the City's contribution towards the flexible benefit for a total of $2,619 per month.

- Retiree Health Savings
    - Effective the pay period that includes January 1, 2027, an increase of one percent (1%) City contribution for a total of two percent (2%).

- Deferred Compensation
    - Effective the pay period that includes January 1, 2027, contributions towards the City's 401(a) deferred compensation plan will be converted to the City's 457 deferred compensation plan.
    - Effective the pay period that includes January 1, 2027, an addition of one percent (1%) City contribution for Police Lieutenant and increase of half a percent (0.5%) City contribution for Police Captain for a total of two percent (2%) towards the 457 deferred compensation plan for all employees.

- Overtime
    - Effective the pay period that includes July 1, 2026, increase from straight time to time and a half when overtime is necessary due to Department needs.

- Bilingual Pay
    - Effective the pay period that includes July 1, 2026, conversion of bilingual pay from a flat rate based on top step Sr. Police Officer (currently an inactive classification) to 2.5% or 5% of base salary (depending on proficiency)

- Sick Leave Accrual
    - Effective the pay period that includes July 1, 2026, employees who promote into the unit will retain their current balances and accrual rates.

- Uniform Allowance
    - Effective July 1, 2026, a $500 annual increase for employees who are assigned to plain clothes assignments for a total of $1,000 annually.

CMCEA*

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

- Term of Agreement

- July 1, 2026 - June 30, 2028

- Salaries and Wages
  - Effective the payroll that includes July 1, 2026, a 3% increase
  - Effective the payroll that includes July 1, 2027, a 3% increase
  - The CMCEA salary resolution (Attachments 6 and 7) will also include the adjustments resulting from the annual CMCEA compensation study requests and addition of the new Planning Technician and Senior Permit Technician classifications that were included in the adopted FY 2026/2027 budget.

- Health Contribution
  - Effective the pay period that includes January 1, 2027, a $200 increase to the City's contribution towards the flexible benefit for a new total of $2,000 per month.
  - Effective the pay period that includes January 1, 2028, a $200 increase to the City's contribution towards the flexible benefit for a new total of $2,200 per month.

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

The new MOUs incorporate the newly negotiated provisions along with mutually agreed upon "clean up" of provisions that are either outdated or in need of modification, including language updates to comply with the California Public Employees Retirement System requirements.

ADDITIONAL COMPENSATION UPDATES

The Human Resources Division is also recommending the following adjustments:

- Deputy Police Chief: Recommend a one and sixty-five one hundredths percent (1.65%) adjustment effective the pay period that includes July 1, 2026 and two percent (2%) adjustment effective the pay period that includes January 1, 2027 to adjust for internal compaction with the Police Captain classification.
- Police Recruit: Recommend adjustments of two percent (2%) in July and January of each year to align with salary adjustments for CMPA. Per council resolution, Police Recruit is set at 16.3% below Step 1 Police Officer.
- Reserve Public Safety Dispatcher: Recommend adjustments of three percent (3%) in July of each year to align with CMCEA in order to adjust for internal compaction within the Public Safety Dispatcher classification series.

CMCEA ANNUAL COMPENSATION & CLASSIFICATION UPDATES

The CMCEA MOU contains a provision for CMCEA to request up to five (5) compensation inequity and five (5) classification studies each year. This allows for five (5) classifications in this bargaining unit to be analyzed by Human Resources to identify whether there are discrepancies in compensation relative to the prevailing market. A classification update may also be needed based on the duties and functions being performed by the incumbent(s). Classification studies may also result in a recommendation to adjust compensation. For 2026, CMCEA requested compensation-inequity

studies resulting in recommended market adjustments for the following five classifications:

1. Accounting Specialist I - 10.68%*
2. Assistant Engineer - 8.92%
3. Buyer - 16.39%
4. Permit Processing Specialist - 12.97%
5. Senior Engineer - 8.38%

*Includes adjustment to Accounting Specialist II and Business License Inspector due to internal alignment and compaction

There are also classification studies for the Arts Specialist, Crime Scene Investigator, Maintenance Series, Park Ranger and Recreation Specialist classifications that are pending final recommendation. Should these studies result in compensation or classification adjustment recommendations, these recommendations will be brought forward for City Council review and approval at a future 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 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 2026/27 estimated fiscal impact for each labor group is: CMPA is $1,014,385, CMPMA at $163,093, CMCEA at $1,551,894, and CMCEA-Confidential at $194,740. The FY 2026/27 estimated fiscal impact for the adjustment for Deputy Police Chief is $11,078 and Reserve Senior Public Safety Dispatcher is $7,957. There is no fiscal impact for Police Recruit as their salaries and benefits are included as part of the Police Officer classification salary and benefits. The FY 2026/27 estimated fiscal impact for the 2026 annual CMCEA compensation studies is $275,316. The fiscal impact of the tentative agreements and additional adjustments, including the annual CMCEA compensation studies were included in the FY 2026/27 Adopted Budget. The Fiscal Year 2027/28 impact is approximately $3.7 million.

LEGAL REVIEW:

The City's special counsel, Liebert Cassidy Whitmore (LCW), and City Attorney's Office have reviewed the agreements, 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:

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