

SEPTEMBER 30, 2013 SECOND CITY OF COSTA MESA PROPOSAL TO THE CMCEA FOR CHANGES IN WAGES, HOURS, AND TERMS AND CONDITIONS OF EMPLOYMENT

By means of a comprehensive AUGUST 6, 2013 INITIAL 2013-2015 CITY PROPOSAL FOR A SUCCESSOR MOU, the City of Costa Mesa submitted a detailed redline/strikeout proposal for a successor to the 2004-2009 MOU and the subsequent amendments/side letters. The AUGUST 6, 2013 INITIAL CITY PROPOSAL consists of submitting the entire preexisting Memorandum of Understanding, with redline/strikeout changes as indicated.

This SEPTEMBER 30, 2013 SECOND CITY PROPOSAL shall consist of *changes* that the City is making to the AUGUST 6, 2013 INITIAL PROPOSAL. If not addressed herein, each and every proposal (including preamble language) set forth in the AUGUST 6, 2013 INITIAL CITY PROPOSAL, remains unchanged.

Therefore, this SEPTEMBER 30, 2013 CITY PROPOSAL consists of:

Article 3.1 COMPENSATION - Employees covered by this MOU shall be compensated at the monthly base salary rates established for their classification under the Basic Pay Schedule per City Council resolution. The Basic Pay Schedule shall reflect that each classification in the unit represented by the CMCEA shall be designated as consisting of two (2) separate and distinct pay schedules which shall be determined by reference to initial hire date by the City. For example, the Basic Pay Schedule will be reflected as ACCOUNTANT (INITIALLY HIRED PRIOR TO ADOPTION OF A 2013 MOU or resolution of any meet and confer-related impasse,) and ACCOUNTANT (INITIALLY HIRED ON OR AFTER ADOPTION OF A 2013 MOU or resolution of any meet and confer-related impasse.)

Effective the first payroll period commencing on or after City Council adoption of a 2013 MOU or City Council resolution of any meet and confer-related impasse, the Basic Pay Schedule regarding those unit members initially employed by the City prior to the 2013 MOU adoption or resolution of any meet and confer impasse, shall reflect as to each range and step, a 2.5% reduction from the compensation existing immediately prior to adoption of a 2013 MOU or resolution of impasse.

After the above reductions are made to the Basic Pay Schedule for those unit members hired prior to adoption of the 2013 MOU or resolution of impasse, the Basic Pay Schedule for those unit members initially hired on or after the 2013 MOU adoption or resolution of impasse, shall reflect each range and step being 5% less than the range and step applicable to the 2.5% reduced Basic Pay Schedule applicable to the above unit members hired prior to the 2013 MOU.

An employee occupying a position in the classified service shall be compensated within the range established for his or her position as provided in Rule 6 of the Personnel Rules and Regulations. The minimum rate for the class generally shall apply to an employee upon his or her original appointment. Employees who are re-employed shall receive a rate within the range established for the class and agreed upon by the appointing authority and the employee prior to appointment.

INITIAL CITY OF COSTA MESA RESPONSE TO SEPTEMBER 12, 2013 CMCEA INITIAL BARGAINING PROPOSAL:

PROPOSAL NO. 2 - ESTABLISH A CITYWIDE LEAN PROGRAM - the City is unable to provide a substantive response to this CMCEA proposal because the proposal sets forth absolutely no details as to what a Citywide LEAN Program would consist of.

PROPOSAL NO. 6 - WELLNESS AND THE AFFORDABLE CARE ACT - the City is unable to provide a substantive response to this CMCEA proposal because the proposal sets forth absolutely no details as to what a Citywide Wellness program and the Affordable Care Act language would consist of.

The City rejects that component of the CMCEA Proposal No. 6 to the effect that CMCEA represented employees be provided the same flexible benefit provided to the Division Managers, with the opt-out amount limited to the lower flexible benefit amount currently provided to CMCEA-represented employees.

PROPOSAL NO. 7 - ALTERNATE WORK SCHEDULES - the City is unable to provide a substantive response to this CMCEA proposal because the proposal sets forth absolutely no details as to when an Alternative Work Schedule would apply and which available schedule would be utilized.

PROPOSAL NO. 8 - TRANSPARENCY, DISCLOSURE AND ACCOUNTABILITY MOU PROVISION - the CMCEA proposal for adding a transparency-related section to the MOU is rejected as being outside of the scope of representation. This being said, the City is a strong advocate of transparency, disclosure and accountability and will be pleased to discuss with the CMCEA, the addressing of this issue, but separate and distinct from the meet and confer process.

PROPOSAL NO. 9 - CHRISTMAS/NEW YEARS CLOSURE - the CMCEA proposal that non-essential City functions be closed for business from December 24, 2013 through January 1, 2014 and December 24, 2014 through January 1, 2015, requires additional explanation as to how the proposal would be implemented. The proposal shall then be assessed.

Unless addressed above, all remaining proposals set forth in the September 12, 2013 CMCEA initial bargaining proposal are deemed rejected (Proposals 1, 3, 4, 5, 10 and 11.)

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