



**Side Letter of Agreement  
July 1, 2007 – June 30, 2013  
Memorandum of Understanding  
between the  
Costa Mesa Firefighters Association (CMFA)  
and the City of Costa Mesa**

This side letter agreement (“Letter”) is entered into by and between the City of Costa Mesa (“City”) and the Costa Mesa Firefighters Association (“CMFA”). As part of the City’s Budget Development Strategies to balance the City’s current 2010-2011 Operating Budget, it was necessary to obtain the concurrence of CMFA to agree to concessions. The City and CMFA have met and conferred in good faith and agree that the current July 1, 2007 – August 31, 2013 CMFA Memorandum of Understanding (“MOU”) shall be supplemented with the following amendments:

**I. Article 2 – Term of Agreement:**

The City and CMFA agree to extend the current MOU for an additional year. The new expiration date of the MOU will be June 30, 2014.

**II. Article 3 – Basic Salaries and Wages:**

CMFA agrees to suspend the salary adjustment based upon the total compensation calculation scheduled for September 1, 2011.

In consideration of the suspension of the September 1, 2011 salary adjustment, the terms and conditions of this Side Letter Agreement, and the provisions of Section 3.2 (Subsequent Years of the Agreement), of the 2007-2013 Memorandum of Understanding between the City and CMFA, the City will adjust salaries based upon the total compensation calculation set forth in Section 3.3 effective September 1, 2013

**Future Discussion of Employee Compensation** - If any other represented employee association of the City of Costa Mesa is requested to reduce employee compensation or if any other represented employee association of the City of Costa Mesa agrees to a reduction in employee compensation for the 2011-2012 contract year, then CMFA agrees to meet with the City for the purpose of discussing a reduction of employee compensation. If future discussions for reduction of employee compensation are warranted, it is the intent of CMFA and the City that said discussions take place prior to September 1, 2011. However, any agreements would be effective no sooner than October 1, 2011. Employee compensation is defined to include base salary, specialty and certification pay, health/medical/flex bucket pay, and amounts paid towards all employee retirement/pension benefits.

**III. Article 6 - Retirement:**

Employees covered by this agreement shall contribute 5% of the employee’s PERSable earnings towards the employee retirement contribution. To the extent permitted by CalPERS and the IRS regulations, this 5% contribution shall be implemented through payroll deduction on a pre-tax basis. This contribution will begin the pay period beginning October 24, 2010 and will continue for 26 pay periods.

The above 5% will be enacted by using section 20516 as stated by PERS to be "Cost Sharing". Should there be a delay in the implementation of section 20516 for the amount of 5% then the CMFA agrees to contribute the same corresponding amount from individuals medical flex bucket. The amount will be averaged per each rank (Fire Captain, Fire Engineer, Firefighter/Paramedic, Firefighter). Once section 20516 is implemented it will be the sole mechanism for the 5% cost sharing.

**IV. Article 7 – Retiree Medical Programs**

If the City and other Employee Associations mutually agree to suspend the Retirement Health Savings Plan during the term of this agreement, CMFA agrees to apply the 1% employee contribution (that would otherwise have been returned to the employee) towards the cost of the 3@50 CalPERS retirement benefit per section 6.1 of the MOU.

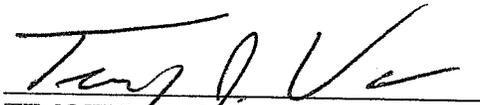
**V. Request for Proposal ("RFP") for Contract Fire/Emergency Services**

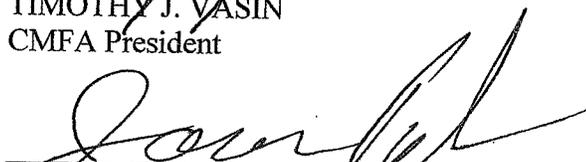
The City agrees to request an RFP from the Orange County Fire Authority ("OCFA") for contract fire/emergency services. CMFA agrees to initially fund the cost of the proposal. If the City subsequently contracts with OCFA for fire/emergency services, the City agrees to reimburse CMFA half of the actual proposal cost. If the City chooses not to contract with OCFA for fire/emergency services, there will be no reimbursement of proposal costs to CMFA.

**VI. MOU Provisions:**

Except as provided herein, all remaining terms and provisions of the aforementioned MOU shall remain in full force and effect throughout the remainder of its term.

REPRESENTATIVES OF THE  
COSTA MESA FIREFIGHTERS ASSOCIATION

  
TIMOTHY J. VASIN  
CMFA President

  
JASON PYLE  
CMFA Team Member

  
FREDERICK T. SEGUIN  
CMFA Team Member

  
MICHAEL D. HURD  
CMFA Director and Team Member

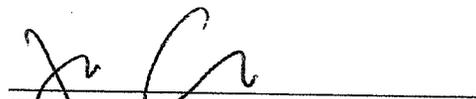
REPRESENTATIVES OF THE  
CITY OF COSTA MESA

  
STEPHEN N. MANDOKI  
Administrative Services Director

  
BOBBY YOUNG  
Budget & Research Officer

  
LANCE M. NAKAMOTO  
Human Resources Administrator

  
KASAMA LEE  
Principal Human Resources Analyst

  
JULIE CREAGH  
Human Resources Analyst