

SIDE LETTER OF AGREEMENT

CITY OF COSTA MESA

AND

THE COSTA MESA POLICE ASSOCIATION

This Side Letter of Agreement (Agreement) between the City of Costa Mesa (City) and the Costa Mesa Police Association (Association) (collectively "Parties") is entered into with respect to the following:

WHEREAS, the Parties are currently parties to a Memorandum of Understanding (MOU) with a term that expires on June 30, 2020; and

WHEREAS, as a result of the impacts of COVID-19 on the City, the Parties have met and conferred for the purpose of achieving cost savings. This has resulted in the Parties agreeing to some modifications to their MOU including a four-year extension of the term of the MOU; and

WHEREAS, the parties agreed to a Side Letter of Agreement modifying their MOU as reflected by the track changes in Attachment A; and

WHEREAS, as a result of the impacts of the American Rescue Plan, the Parties have met and conferred for the purpose of eliminating the furloughs and reimbursing employees for reductions incurred. This has resulted in the Parties agreeing to some modifications to the Side Letter of Agreement; and

WHEREAS, the following memorializes the parties' agreement.

The Parties agree to the following modifications to the Side Letter of Agreement as reflected by the track changes to the article below.

3.2 FURLOUGHS

Each member of the Association is required to take a total of one hundred and four (104) hours of unpaid furlough during the twenty-six (26) consecutive pay periods between June 21, 2020 and June 19, 2021. Subject to the action of the City Council on May 4, 2021 to eliminate the furloughs and reimburse employees, employees will no longer be required to schedule furlough hours effective May 9, 2021.

The method/manner in which furlough hours are taken are to be determined by mutual agreement of the parties.

If the City receives notification of financial relief from the County of Orange, State of California, or the Federal Government for any issues related to the impact of COVID-19 in excess of ~~\$40.5~~ \$28 million ~~for Fiscal Year 2020/2021~~, each member of the Association will receive a payment equivalent to the dollar savings of the furlough hours already taken (base rate including incentive pay x furlough hours). Association members who furloughed pursuant to the Side Letter Agreement, but retire or separate prior to issuance of the reimbursement, shall also be entitled to repayment.

REPRESENTATIVES OF THE COSTA MESA
POLICE ASSOCIATION



JERAD KORTE
CMPA President



JONATHAN TRIPP
CMPA Negotiations Team Member



BRIAN HERNANDEZ
CMPA Negotiations Team Member



JAMES BROWN
CMPA Negotiations Team Member

REPRESENTATIVES OF THE CITY OF
COSTA MESA



LORI ANN FARRELL HARRISON
City Manager



SUSAN PRICE
Assistant City Manager



KASAMA LEE
Human Resources Manager



ITZIA CARVAJAL
Acting Human Resources Administrator

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WHEREAS, as a result of the impacts of COVID-19 on the City, the Parties have met and conferred for the purpose of achieving cost savings. This has resulted in the Parties agreeing to some modifications to their MOU including a four-year extension of the term of the MOU; and

WHEREAS, the following memorializes the parties' agreement.

The Parties agree to the following modifications to their MOU effective the pay period including July 1, 2020 (i.e., June 21, 2020), as reflected by the track changes to each of the articles below.

ARTICLE 1 - RECOGNITION/PREAMBLE

1.9 During the term of this MOU, the parties agree either side can propose MOU language to clean up provisions which are either outdated or in need of modification. Any language changes must be mutually agreeable.

ARTICLE 2 - TERM OF AGREEMENT

2.1 The term of this MOU will commence on July 1, 2018, and will expire in the pay period that includes June 30, 2024.

ARTICLE 3 - BASIC SALARIES AND WAGES

3.1. Employees covered by this MOU shall be compensated at the established monthly base salary rates under the Basic Pay Schedule for covered employees. The three (3) classifications in the Association, under this Schedule Police Officer, Senior Police Officer, and Police Sergeant shall be assigned a range number established by the City Council resolution.

Effective in the pay period which includes July 1, 2021, the Association has the option to reopen negotiations for the purpose of increasing pay and benefits. If the Association elects to exercise this option, it must notify the City no later than April 1, 2021. Any changes to the MOU must be by mutual agreement of the parties.

Effective in the pay period which includes July 1, 2022, employees shall receive a one percent (1.0%) base salary increase. In addition, the Association has the option to reopen negotiations for the purpose of increasing pay and benefits. If the Association elects to exercise this option, it must notify the City no later than April 1, 2022. Any changes to the MOU must be by mutual agreement of the parties.

Effective in the pay period which includes July 1, 2023, employees shall receive a two percent (2.0%) base salary increase. In addition, the Association has the option to reopen negotiations for the purpose of increasing pay and benefits. If the Association elects to exercise this option, it must notify the City no later than April 1, 2023. Any changes to the MOU must be by mutual agreement of the parties.

3.2 FURLOUGHS

Each member of the Association is required to take a total of one hundred and four (104) hours of unpaid furlough during the twenty-six (26) consecutive pay periods between June 21, 2020 and June 19, 2021.

The method/manner in which furlough hours are taken are to be determined by mutual agreement of the parties.

If the City receives financial relief from the County of Orange, State of California, or the Federal Government for any issues related to the impact of COVID-19 in excess of \$40.5 million for Fiscal Year 2020/2021, each member of the Association will receive a payment equivalent to the dollar savings of the furlough hours already taken (base rate including incentive pay x furlough hours).

ARTICLE 6 - RETIREE MEDICAL

6.1 The Defined Contribution Retirement Health Savings Plan ("Plan") went into effect January 1, 2004 and payments made by the City were suspended in 2010. The purpose of the Plan was to establish a tax protected savings program for every full-time employee that will:

- Provide a retiree medical benefit for employees who were hired after January 1, 2004 who will not be eligible for the health insurance contribution under the Council Policy 300-1.
- Provided a supplemental benefit to the City contribution under Council Policy 300-1 for employees hired before January 1, 2004.

The program requires mandatory participation by all full-time employees. Employees make a monthly contribution to the plan equal to 1% of their base monthly salary. Effective the pay period that includes July 1, 2022, the City will match the 1% monthly contribution into each employees' account. The account assets that accumulate, plus investment earnings, will be used in retirement to pay health insurance premiums and other eligible out-of-pocket medical expenses such as deductibles, co-payments, vision care or dental care. Employee contributions plus vested employer contributions are portable if an employee should leave employment with Costa Mesa prior to retirement.

For all employees in the unit, the City will pay the CalPERS statutory minimum for each member of the bargaining unit for retiree medical benefits.

ARTICLE 13 - VACATION LEAVE

13.2 ACCRUAL OF VACATION LEAVE

- A. ~~Employees who were hired by the City or submitted an application for City employment prior to May 1, 2016, shall accrue vacation leave as follows ("Tier 1"):~~
1. Upon completion of one (1) year continuous full-time service but less than three (3) years of continuous full-time service an employee shall accrue ninety-two (92) hours per year that are accrued each pay period.
 2. Upon completion of three (3) years of continuous full-time service, but less than five (5) years of continuous full-time service, an employee shall accrue one hundred sixteen (116) hours per year that are accrued each pay period.
 3. Upon completion of five (5) years of continuous full-time service, but less than ten (10) years of continuous full-time service, an employee shall accrue one hundred forty (140) hours per year that are accrued each pay period.
 4. Upon completion of ten (10) years of continuous full-time service, but less than fifteen

(15) years of continuous full-time service, an employee shall accrue one hundred sixty-four (164) hours per year that are accrued each pay period.

5. Upon completion of fifteen (15) years of continuous full-time service but less than twenty (20) years of continuous full-time service, an employee shall accrue one hundred eighty-eight (188) hours per year that are accrued each pay period.
6. Upon completion of twenty (20) years or more of continuous full-time service, an employee shall accrue two hundred twelve (212) working hours per year that are accrued each pay period.

~~B. Employees whose application for employment with the City was submitted on May 1, 2016 or after shall receive annual vacation leave as follows ("Tier 2"):~~

- ~~1. Upon being hired by the City and through completion of less than three (3) years of continuous full-time service, an employee shall accrue eighty (80) hours per year that are accrued each pay period.~~
- ~~2. Upon completion of three (3) years of continuous full-time service, but less than seven (7) years of continuous full-time service, an employee shall accrue one hundred twenty (120) hours per year that are accrued each pay period.~~
- ~~3. Upon completion of seven (7) years of continuous full-time service, but less than thirteen (13) years of continuous full-time service, an employee shall accrue one hundred forty (140) hours per year that are accrued each pay period.~~
- ~~4. Upon completion of thirteen (13) years of continuous full-time service, but less than fifteen (15) years of continuous full-time service, an employee shall accrue one hundred sixty (160) hours per year that are accrued each pay period.~~
- ~~5. Upon completion of fifteen (15) years of continuous full-time service, but less than twenty (20) years of continuous full-time service, an employee shall accrue one hundred eighty (180) hours per year that are accrued each pay period.~~
- ~~6. Upon completion of twenty (20) years of continuous full-time service, an employee shall accrue two hundred (200) hours per year that are accrued each pay period.~~

Effective June 21, 2020, the "Tier 2" vacation leave accrual plan shall sunset. Current employees in the "Tier 2" plan will be placed on the "Tier 1" vacation leave accrual plan according to their current years of service effective June 21, 2020. All new employees hired on June 21, 2020, or after, will be placed on the "Tier 1" vacation leave accrual plan.

C. Vacation Accrual Implementation and Ceiling - The accrual of vacation hours is capped at the following maximum levels based upon an employee's years of service as follows:

Tier 1

<u>Years of Service</u>	<u>Annual Accrual</u>	<u>Maximum Accrual</u>
1-2	92.0	184.0
3-4	116.0	232.0
5-9	140.0	280.0
10-14	164.0	320.0
15-19	188.0	320.0
20+	212.0	320.0

Tier 2


<u>Years of Service</u>	<u>Annual Accrual</u>	<u>Maximum Accrual</u>
0-2	80.0	160.0
3-6	120.0	240.0
7-12	140.0	280.0
13-14	160.0	320.0
15-19	180.0	320.0
20+	200.0	320.0

Once the maximum accrual is reached, the employee will stop accruing additional Vacation Leave. Annual vacation accruals will re-commence in the next pay period following the use of vacation leave which reduces the balance below the maximum accrual. It is the responsibility of the employee to manage accrued vacation time off by requesting, scheduling and using vacation to avoid not accruing vacation because he/she has accrued the maximum accrual

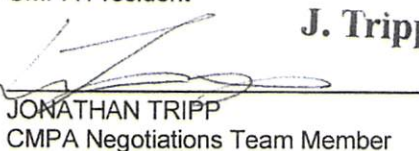
ARTICLE 17 – LAYOFF PROCEDURES

17.2 During fiscal year 2020-21, the City agrees that employees covered by this MOU memorandum of understanding cannot be subject to layoff from City employment.

REPRESENTATIVES OF THE COSTA MESA
POLICE ASSOCIATION


J. Korte #632

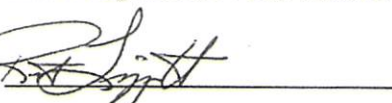
JERAD KORTE
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JONATHAN TRIPP
CMPA Negotiations Team Member



R. Dimel #447

CMPA Negotiations Team Member



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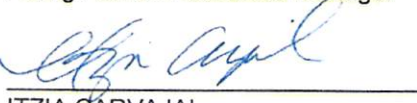
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