

# SIDE LETTER OF AGREEMENT

## CITY OF COSTA

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 expired on June 30, 2020, but was extended by a side letter (Attached hereto as Exhibit A) to expire on June 30, 2024; and

**WHEREAS**, the side letter in Section 3.2 gave the Association the option to reopen negotiations for the purpose of increasing pay and benefits and the Association exercised that option; and

**WHEREAS**, the Parties have negotiated modifications to wages and benefits that modify the provisions of their MOU and wish to memorialize those changes in this Agreement;

**WHEREAS**, the following memorializes the parties' agreement.

The Parties agree to the following modifications to their MOU effective upon City Council approval of this Agreement on November 15, 2022 as reflected by the track changes to each of the articles below.

### 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, 202~~5~~<sup>4</sup>.

### 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 the pay period that includes pay date of January 6, 2023, employees shall receive a two percent (2.0%) base salary increase for all classifications subject to this MOU.

~~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.~~

Effective the pay period that includes July 1, 2023, employees shall receive an additional three percent (3%) base salary increase for all classifications subject to this MOU. This three percent (3%) is in addition to but will not be compounded on the two percent (2%) which the parties previously (in 2020) agreed would be provided effective the pay period that includes July 1, 2023.

Effective the first full pay period beginning after July 1, 2024, employees shall receive a four and one quarter percent (4.25%) base salary increase for all classifications subject to this MOU.

The parties agree that the reopener provisions (for 2022 and 2023) addressed above (originally contained in their July 2020 Side Letter) have been satisfied and there are no further reopeners through the end of the term of this MOU on June 30, 2025.

### 3.2 RECRUITMENT AND RETENTION INCENTIVE PAY

Recruitment and Retention Incentive Pay is compensation to incentivize Police Department sworn employees to remain with the City of Costa Mesa.

Effective the pay period including the pay date of January 6, 2023, employees in this bargaining unit who have been employed in a full-time sworn law enforcement position (as defined by California Penal Code sections 830.1, 830.2, 830.32 and 830.33 or the out-of-state equivalent as determined by the Chief of Police) for twenty-five (25) years or more (with a maximum of 10 years in such a position outside of the City of Costa Mesa) shall receive recruitment and retention incentive pay of ten percent (10%).

Effective the first full pay period beginning after July 1, 2024, employees in this bargaining unit who have been employed in a full-time sworn law enforcement position (as defined by California Penal Code sections 830.1, 830.2, 830.32 and 830.33 or the out-of-state equivalent as determined by the Chief of Police) for twenty (20) years or more (with a maximum of 10 years in such a position outside of the City of Costa Mesa) shall receive recruitment and retention incentive pay of seven and one-half percent (7.5%).

Effective the first full pay period beginning after July 1, 2024, employees in this bargaining unit who have been employed in a full-time sworn law enforcement position (as defined by California Penal Code sections 830.1, 830.2, 830.32 and 830.33 or the out-of-state equivalent as determined by the Chief of Police) in a full-time sworn law enforcement position with the City of Costa Mesa for fifteen (15) years or more (with a maximum of 10 years in such a position outside of the City of Costa Mesa) shall receive recruitment and retention incentive pay of five percent (5%).

Effective the pay period that including the pay date of January 3, 2025, employees in this bargaining unit who have been employed ) in a full-time sworn law enforcement position (as defined by California Penal Code sections 830.1, 830.2, 830.32 and 830.33 or the out-of-state equivalent as determined by the Chief of Police) in a full-time sworn law enforcement position with the City of Costa Mesa for ten (10) years or more (with a maximum of 10 years in such a position outside of the City of Costa Mesa) shall receive recruitment and retention incentive pay of two and one-half percent (2.5%).

Other civilian service will not count towards full-time sworn law enforcement service for this purpose.

The above recruitment and retention incentive pays are not cumulative. Once an employee becomes eligible for the next level of recruitment and retention incentive pay, they shall qualify for that level and no longer receive the prior level of pay (i.e. the maximum total incentive pay an employee can receive is a total of 10% for 25 or more years of sworn law enforcement service).

The parties agree, to the extent permitted by law, the compensation in this section is special compensation and shall be reported as such pursuant to Title 2 California Code of Regulations, Section 571 and 571.1.

### 3.3 DEFERRED COMPENSATION

Effective the first full pay period beginning after July 1, 2024, the City will make a contribution to the City's 457(b) provider that will equal one half of one percent (0.5%) of each employee's base salary. Employees are responsible for tracking contributions to ensure that total contributions made by the City and employee do not exceed the maximum allowable contributions as per the IRS. City contributions are per year only. As such, they expire on the last payroll of the calendar year.

### ARTICLE 5 - RETIREMENT

5.1 **CALPERS** - The City contracts with CalPERS for retirement benefits.

A. Employees Who Are Not "New Members" as Defined by Government Code Section 7522.04(f) – i.e., "Classic Members"

4. Cost Sharing: Classic member employees subject to the 3%@50 formula currently pay an additional five percent (5%) of compensation earnable as cost sharing into their employee account with CalPERS in accordance with Government Code section 20516(a).

Effective the pay period that includes July 1, 2023, for Classic member employees subject to the 3%@50 formula, cost sharing per Government Code section 20516(a) will be reduced by one and one quarter percent (1.25%) for a net contribution of three and three quarters' percent (3.75%) per Government Code section 20516(a). When this three and three quarters' percent (3.75%) is added to the employees' payment of nine percent (9%) towards their member contribution, employees shall pay twelve and three quarters' percent (12.75%) compensation earnable towards their pension.

B. For "New Member" Employees

3. Payment of Employee/Member Contribution: New member employees are responsible for paying the employee contribution of one-half of the total normal cost of the plan, as defined by CalPERS, through a payroll deduction. This amount will be determined by CalPERS in the future.

Effective the pay period that includes July 1, 2023, for new member employees subject to the 2.7%@57 formula, if one-half of the CalPERS' annual normal cost rate goes below 12.75% (and it is rounded by CalPERS to the nearest one-quarter of a percent), new member employees subject to the 2.7%@57 formula shall pay the difference between the one-half of the total normal cost rate and twelve and three-quarters; percent (12.75%) of compensation earnable as cost sharing pursuant to Government Code section 20516(f).

Effective the pay period that includes July 1, 2023, for new member employees subject to the 2.7%@57 formula, if one-half of the CalPERS' annual normal cost rate exceeds 12.75% (and it is rounded by CalPERS to the nearest one-quarter of a percent), the City will contribute the amount above 12.75% to the deferred compensation account (per IRS Code section 457(b)) of each new member.

### ARTICLE 12 - SPECIALTY ASSIGNMENT PAY

12.3 **UNIFORM ASSIGNMENT PAY** - Employees in the classifications of Senior Police Officer and Police Sergeant who are regularly assigned to uniform automobile/motorcycle patrol, ~~or traffic enforcement~~ shall receive uniform assignment pay (2.5% of base salary). Employees, assigned to patrol ~~or traffic enforcement~~ for less than 14 consecutive days shall not be eligible for Uniform Assignment Pay. ~~All Police Officers who are receiving Uniform Assignment Pay upon the effective date of this agreement shall continue to receive such pay.~~ Uniform

assignment pay shall also be applicable to employees in the Police Officer classification who are regularly assigned to uniform automobile/motorcycle patrol ~~or traffic enforcement after three years of service with the City of Costa Mesa.~~

**12.8 TRAFFIC DETAIL ASSIGNMENT PAY**

Effective the pay period that includes pay date of January 6, 2023, employees assigned to traffic detail (Non-Motors) or who are assigned as Traffic Investigators shall receive seven and one-half percent (7.5%) of base salary while so assigned. Employees receiving this pay shall not be eligible to receive Uniform Assignment Pay provided for above in Article 12.3, and therefore, employees assigned to one of these specialty assignments will receive a net increase of five percent (5%) of base salary.

**12.9 DETECTIVE / GANG UNIT INVESTIGATOR PAY**

Effective the pay period that includes pay date of January 6, 2023, employees assigned as either an Investigative Services Bureau or Special Investigations Unit Detective or a Gang Unit Investigator shall receive seven and one-half percent (7.5%) of base salary while so assigned. Employees receiving this pay shall not be eligible to receive Uniform Assignment Pay provided for above in Article 12.3, and therefore, employees assigned to one of these specialty assignments will receive a net increase of five percent (5%) of base salary.

**12.10 POLICE SPECIALTY OFFICER PAY**

Effective the pay period the includes pay date of January 6, 2023, employees assigned in any of the following specialty officer assignments shall receive seven and one-half percent (7.5%) of base salary while so assigned: 1) School Resources Unit; 2) Training/Recruitment Unit; 3) South Coast Plaza Unit; 4) Community Policing Unit; and, 5) Professional Standards/Admin Unit. Employees receiving this pay shall not be eligible to receive Uniform Assignment Pay provided for above in Article 12.3, and therefore, employees assigned to one of these specialty assignments will receive a net increase of five percent (5%) of base salary.

REPRESENTATIVES OF THE COSTA MESA  
POLICE ASSOCIATION



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CMPA President



JAMES A. BROWN  
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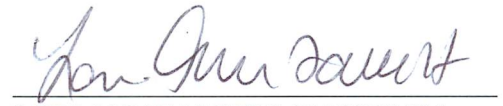


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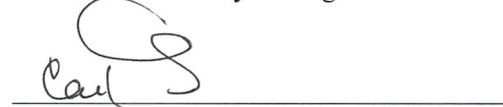
REPRESENTATIVES OF THE CITY OF  
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