



# CITY COUNCIL AGENDA REPORT

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**MEETING DATE:** February 21<sup>st</sup>, 2017

**ITEM NUMBER:** PH-1

**SUBJECT:** CIVIC OPENNESS IN NEGOTIATIONS (COIN) ORDINANCE FIRST PUBLIC HEARING OF THE ADOPTION OF THE 2016-2020 MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF COSTA MESA AND THE COSTA MESA CITY EMPLOYEES ASSOCIATION (CMCEA).

**DATE:** February 9, 2017

**FROM:** CITY MANAGER'S OFFICE/HUMAN RESOURCES DIVISION

**PRESENTATION BY:** TAMARA S. LETOURNEAU, ASSISTANT CITY MANAGER  
LANCE NAKAMOTO, HUMAN RESOURCES MANAGER

**FOR FURTHER INFORMATION CONTACT:** LANCE NAKAMOTO (714) 754-5172

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## **RECOMMENDATION:**

Staff recommends that the City Council:

1. Hold the first Public Hearing regarding the 2016-2020 Memorandum of Understanding (MOU) between the City of Costa Mesa and the Costa Mesa City Employees Association (CMCEA) as required by Civic Openness in Negotiations (COIN).
2. Schedule the second and final Public Hearing as required by COIN for March 7<sup>th</sup>, 2017.

## **BACKGROUND:**

The previous CMCEA MOU including subsequent side letter agreements between the City and the CMCEA expired June 30, 2016. Adhering to the COIN Ordinance, a series of collaborative and productive meetings between the City's designated negotiation team and CMCEA's negotiation team were held, which resulted in the attached 2016-2020 CMCEA MOU (Attachment I). The term of this MOU is July 1, 2016 through June 30, 2020. In conjunction, the Fiscal Impact is included as Attachment II.

## **ANALYSIS:**

The following are the key provisions of the proposed MOU:

- Wage Increases shall be implemented as follows:

Year 1 – Beginning with the first full pay period starting after ratification by the City Council: 2.5% increase for all classifications subject to this MOU.

Year 2 – Beginning with the first full pay period starting in July, 2017: 2.5% increase for all classifications subject to this MOU.

Year 3 – Beginning with the first full pay period starting in July, 2018: 2.75% increase for all classifications subject to this MOU.

Year 4 – Beginning with the first full pay period starting in July, 2019: 2.75% increase for all classifications subject to this MOU.

- Retirement Contributions shall be implemented as follows:

Year 1 - Beginning with the first full pay period after ratification of this MOU by the City Council: 14% fixed employee contribution for all tiers (Tier 1, Tier 2 and PEPRAs tier) for all classifications subject to this MOU. (14% is total of statutory employee contribution and cost sharing).

Year 2 – Beginning with the first full pay period starting in July, 2017: 13% fixed employee contribution for all tiers (Tier 1, Tier 2 and PEPRAs tier) for all classifications subject to this MOU. (13% is total of statutory employee contribution and cost sharing).

Year 3 – Beginning with the first full pay period starting in July, 2018: 12% fixed employee contribution for all tiers (Tier 1, Tier 2 and PEPRAs tier) for all classifications subject to this MOU. (12% is total of statutory employee contribution and cost sharing).

Year 4 – No additional changes.

- Health Insurance Flexible Benefits Contributions shall be implemented as follows:

Year 1 – Beginning with the first full pay period starting after ratification of this MOU by the City Council, the monthly contribution for all classifications subject to this MOU shall be increased from \$919 to \$1,100.

Year 2 – Beginning with the first full pay period starting in July, 2017: the monthly contribution for all classifications subject to this MOU shall be increased to \$1,200.

Year 3 – Beginning with the first full pay period starting in July, 2018: the monthly contribution for all classifications subject to this MOU shall be increased to \$1,300.

Year 4 – Beginning with the first full pay period starting in July, 2019: the month contribution for all classifications subject to this MOU shall be increased to \$1,400.

The CMCEA members have ratified the tentative agreement. This agreement is presented per the COIN Ordinance and will be submitted to the City Council for final approval and adoption at the March 7<sup>th</sup> City Council Meeting.

**FISCAL REVIEW:**

The Fiscal Impact Analysis (Attachment II) prepared for the COIN Ordinance recognizes City costs during the term of the MOU (adoption until June 30, 2020) would increase by approximately \$5.65 million.

**LEGAL REVIEW:**

The City Attorney has reviewed the documents and approved them as to form.

**CONCLUSION:**

This Public Hearing is the first of the two public hearings required by COIN. The final Public Hearing is scheduled for March 7<sup>th</sup>, 2017.

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LANCE M. NAKAMOTO  
Human Resources Manager

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TAMARA S. LETOURNEAU  
Assistant City Manager

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STEPHEN DUNIVENT  
Interim Finance Director

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THOMAS DUARTE  
City Attorney

DISTRIBUTION: City Manager Office  
City Clerk

ATTACHMENTS: I [CMCEA 2016-2020 MOU](#)  
II [COIN Fiscal Impact Analysis](#)