

**SPECIAL MEETING OF THE
CITY OF COSTA MESA
CITY COUNCIL**

October 26, 2010

The City Council of the City of Costa Mesa, California met in a Special Meeting on Tuesday, October 26, 2010, at 6:30 p.m. in the City Council Chambers, 77, Fair Drive, Costa Mesa.

The meeting was called to order by Mayor Mansoor.

I. ROLL CALL:

Council Members Present: Mayor Allan R. Mansoor
Mayor Pro Tem Wendy Leece
Council Member Eric R. Bever
Council Member Katrina Foley
Council Member Gary Monahan (arrived at 6:40)

Council Members Absent: None

Officials Present: City Manager Allan Roeder
Assistant City Manager Thomas Hatch
City Attorney Kimberly Hall Barlow
City Clerk Julie Folcik

II. PUBLIC COMMENT

Sue Lester, Costa Mesa, commented on contract negotiations with city employees and expressed disappointment by members of the Council complaining about contracted items that they previously voted for. Ms. Lester stated that she does not think public safety should be used to solve the City's financial troubles and concessions were offered by the Police and Fire Associations. Ms. Lester also asked that the names of persons applying political pressure on contract negotiations be disclosed. (01:25)

Phil Morello, Costa Mesa, commented on costs for safety retirements and urged the Council to vote no on the Side Letters of Agreement and offer no Cost of Living Allowances for the next four years. (03:02)

Robin Leffler, Costa Mesa, commented on party politics rather than good faith in contract negotiations. (06:13)

Cindy Brenneman, Costa Mesa, urged the Council to accept the Side Letters of Agreement, stating that they were negotiated in good faith and party politics should not be involved. (07:50)

Sandra Genis, Costa Mesa, urged the Council to accept the Side Letters of Agreement which were negotiated in good faith and expressed resentment with outside interests pushed on the City. (08:58)

Greg Ridge, Costa Mesa, urged the Council to accept the Side Letters of Agreement and stated that public safety is important to the residents. Mr. Ridge read a letter received regarding the State Assembly candidates and urged the Council to consider raising the Transient Occupancy Tax, Business License Tax and other fees. (10:27)

Beth Refakes, Costa Mesa, expressed concern with the Agreements and the percentage the City spends on salaries and benefits compared with the private sector. (13:39)

Howard Hull, Costa Mesa, expressed outrage at discussing politics and blaming the Republican party and urged the Council to go back and renegotiate salary and benefits and spoke of his experience. (17:06)

Clay Epperson, Costa Mesa, spoke as a resident and retired 30 year Police Officer who was disturbed by political activity regarding public safety. Mr. Epperson stated that the community cares about safety and Costa Mesa will not be able to attract quality public safety employees if salary and benefits are not as good as provided by surrounding cities. (19:33)

Al Melone, Costa Mesa, commented on the proposed four year contract for the Costa Mesa Police Officers Association and stated that contracts should be negotiated yearly and shouldn't be voted on before an election. (21:22)

Martin H. Millard, Costa Mesa, requested party politics to stop and asked that a vote on the contracts wait until after the election. Mr. Millard commented that employee compensation is much higher than the average income of residents. (22:07)

Allen Rieckhof, President, Costa Mesa Police Association, commented on the Orange County GOP's push to make Council Member Leece vote against the contracts. Mr. Rieckhof commented that the negotiations were made in good faith and multiple year contracts saves time and money, but that re-openers are built into the contracts. (24:25)

MOTION: To grant additional time and allow the speaker to finish his comments. Motion moved by Council Member Katrina Foley, seconded by Mayor Pro Tem Wendy Leece.

The motion carried by the following roll call vote:

Ayes: Mayor Pro Tem Wendy Leece, Council Member Katrina Foley,
Council Member Gary Monahan

Noes: Mayor Allan R. Mansoor, Council Member Eric R. Bever

Absent: None.

Mr. Rieckhof continued his comments regarding efforts by the Costa Mesa Police Association to come to the bargaining table and suggested the Council consider raising revenue and asked for their support.

Council Member Monahan asked Mr. Rieckhof what the problem would be with a two-year contract term. Mr. Rieckhof stated that members desire four years security for their pay and benefits to plan for the future; however, they do understand that contract re-openers exist.

Council Member Bever responded to comments made by Mr. Rieckhof stating that the proposed cost savings would actually cost the City and he is not associated with the Orange County GOP and expressed concern that that the City could go bankrupt.

MOTION: To hold a Closed Session to discuss late information provided by the City Attorney. Motion moved by Council Member Katrina Foley, seconded by Mayor Pro Tem Wendy Leece.

The motion carried by the following roll call vote:

Ayes: Mayor Allan R. Mansoor, Mayor Pro Tem Wendy Leece,
Council Member Eric R. Bever, Council Member Katrina Foley,
Council Member Gary Monahan.

Noes: None

Absent: None

The Mayor recessed the meeting to conference Room 1B at 7:13 p.m. for the closed session.

The Mayor reconvened the special meeting at 7:45 p.m.

III. ITEMS FOR DISCUSSION

1. Side Letter of Agreements for the Costa Mesa Employees Association (CMCEA), Costa Mesa Police Management Association (CMPMA), Costa Mesa Police Association (CMPA), and Resolution for Unrepresented Employee (Executive and Confidential) (35:23)

City Manager Allan Roeder introduced this item and Administrative Services Director Steve Mandoki and Human Resources Manager Lance Nakamoto presented the report. Mr. Mandoki provided an overview of the negotiation process and the terms for each employee association's Side Letters of Agreement.

Mayor Pro Tem Leece asked a question about the employee portion of the PERS payment for non-safety employees. Mr. Mandoki explained the employee and employer portion and the negotiated 2.5 percent at 55 and the second tier of the 2 percent at 60, as well as the increased employee contribution.

Council Member Foley asked City Attorney Barlow to explain why the contracts on the agenda do not contain a defined pension plan and what would happen if the agreements were not approved. City Attorney Barlow explained that the City contracts with PERS and employees are in existing agreements with vested rights and if the Council doesn't approve the agreements, the next step is to go back to negotiations, but staff would need to receive new direction from Council.

Council Member Bever read a statement in regards to negotiations and alternatives and his reasons to abstain from further negotiations. Council Member Bever expressed his concern that the proposed contracts would put the City at financial risk and suggested that negotiations continue.

MOTION: To vote no on the Side Letters of Agreement and go back to negotiations to obtain greater concessions. Motion moved by Council Member Bever. Motion died for lack of a second.

MOTION: To approve Side Letters of Agreement for CMCEA, CMPMA, CMPA including a Resolution for Unrepresented Employees. Motion moved by Council Member Foley. Motion died for lack of a second.

MOTION: To continue the vote on the Side Letters of Agreement to the next regular Council meeting. Motion moved by Mayor Pro Tem Leece. Seconded for discussion by Mayor Mansoor.

Discussion ensued regarding continuing the item to a closed session, the impacts of a delay and concerns expressed with the length of some contracts.

SUBSTITUTE MOTION: To approve the Side Letter of Agreement with CMCEA only. Motion moved by Council Member Foley. Motion died for lack of a second.

Discussion continued regarding the impacts if the contracts are not approved and the process of going back to negotiations with employee groups. City Manager Roeder explained the negotiation process and the impacts on a change in direction for negotiations.

Mayor Pro Tem Leece withdrew her Motion.

MOTION: To approve all the Side Letters of Agreement. Motion moved by Council Member Foley, seconded by Mayor Pro Tem Leece.

Council Member Monahan commented on the difficult decision and concern about some of the issues with the agreements and challenged staff to work together to solve the financial problems of the City to help the community. Council Member Monahan stated that although he would support the motion, he would like to see further concessions.

Mayor Mansoor expressed concern about unions and commented on having quality employees, gratefulness to CMCEA for stepping up before and at the time, but would not support the motion due to problems with the system.

Mayor Pro Tem Leece commented on discussions years ago when times were good and the City didn't raise taxes and that Costa Mesa has been a good, safe place to raise a family, but has relied too heavily on retail revenue from South Coast Plaza. Mayor Pro Tem Leece stated that she does not want Costa Mesa to be ground zero for pension reform.

Council Member Bever commented on the probability of layoffs by approving the Agreements and stated that the concessions should be a couple of percentage points more.

Council Member Foley commented on efforts by the Council and staff for the best interests of the community. Council Member Foley expressed how much she values employees and asked that an economic development commission be created to develop policies to generate revenue from a variety of sources and expressed her appreciation to staff for their efforts to help move things forward.

Discussion ensued on future impacts if the financial issues of the City continue and the impacts to service levels with reduced staffing. City Manager Roeder stated that layoffs are not a budget strategy, but a consequence.

The motion carried by the following roll call vote:

Ayes: Mayor Pro Tem Wendy Leece, Council Member Katrina Foley,
Council Member Gary Monahan.

Noes: Mayor Mansoor, Council Member Bever

Absent: None

MOTION: To approve the Resolution for Unrepresented Employees (Executive and Confidential). Motion moved by Mayor Pro Tem Leece, seconded by Council Member Monahan.

The motion carried by the following roll call vote:

Ayes: Mayor Pro Tem Wendy Leece, Council Member Katrina Foley,
Council Member Gary Monahan.

Noes: Mayor Mansoor, Council Member Bever

Absent: None

2. Letter of Agreement (LOA) to the July 1, 2007 to June 30, 2013 Memorandum of Understanding between the Costa Mesa Fire Management Association (CMFMA) and the City of Costa Mesa. (01:37:20)

Administrative Services Director Steve Mandoki presented the report and responded to questions from Council Members regarding contributions by CMFA and CMFMA and the terms of the agreement.

Mayor Mansoor commented on Council Members speaking their mind and doing what they felt was right without political pressure.

MOTION: To approve the Letter of Agreement for CMFMA. Motion moved by Council Member Foley, seconded by Mayor Pro Tem Leece.

The motion carried by the following roll call vote:


Ayes: Mayor Pro Tem Wendy Leece, Council Member Katrina Foley,
Council Member Gary Monahan.

Noes: Mayor Mansoor, Council Member Bever

Absent: None

IV. ADJOURNMENT:

The Mayor adjourned the special meeting at 8:00 p.m.



Mayor of the City of Costa Mesa

ATTEST:



Interim City Clerk for the City of Costa Mesa