RESOLUTION NO. 2026-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, REVISING THE EXECUTIVE COMPENSATION PLAN AND EXECUTIVE SALARY SCHEDULE.

THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA HEREBY FINDS, DETERMINES, AND DECLARES AS FOLLOWS:

WHEREAS, on June 2, 2026, the City Council adopted Resolution No. 2026-29 revising the pay ranges and benefits for job classifications and to rename the existing "Economic and Development Services Director as the "Community Development Director" in the Executive Salary Schedule; and

WHEREAS, the City Council desires to repeal and replace Resolution No. 2026-29 to revise the pay ranges and benefits for the classifications specified therein; and

WHEREAS, the City Council desires to update sections regarding pay and benefits to ensure compliance with the California Public Employees' Retirement System (CalPERS).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Costa Mesa as follows:

SECTION 1. The Costa Mesa City Council previously established the Executive Compensation Plan to: 1) promote maximum commitment by City executives to objectives and standards of the City Council and City Manager; 2) establish a system in which compensation serves as an effective device for promoting better job performance; 3) foster the identification of an executive employee group and recognize the distinct character of executive jobs; and, 4) improve the City's ability to attract and retain outstanding executives.

SECTION 2. The following job classifications, placed under the Executive Salary Schedule, are hereby revised to reflect the salary ranges and monthly rates of pay specified, effective the pay period including July 1, 2024. The rate of pay for individual executives may be anywhere within the monthly minimum and maximum salary steps.

APPOINTED AT-WILL EXECUTIVES										
Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0075	Assistant City Manager	810	$17,284	$18,148	$19,055	$20,008	$21,008	$22,058	$23,161	Monthly
			$207,408	$217,776	$228,660	$240,096	$252,096	$264,696	$277,932	Annual
			$99.72	$104.70	$109.93	$115.43	$121.20	$127.26	$133.62	Hourly
0027	Deputy City Manager	853	$13,819	$14,510	$15,235	$15,997	$16,797	$17,637	$18,519	Monthly
			$165,828	$174,120	$182,820	$191,964	$201,564	$211,644	$222,228	Annual
			$79.73	$83.71	$87.89	$92.29	$96.91	$101.75	$106.84	Hourly

APPOINTED AT-WILL SWORN DEPARTMENT DIRECTORS

Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0223	Fire Chief	793	$16,915	$17,761	$18,649	$19,581	$20,560	$21,588	$22,667	Monthly
			$202,980	$213,132	$223,788	$234,972	$246,720	$259,056	$272,004	Annual
			$97.59	$102.47	$107.59	$112.97	$118.62	$124.55	$130.77	Hourly
0207	Police Chief	792	$16,915	$17,761	$18,649	$19,581	$20,560	$21,588	$22,667	Monthly
			$202,980	$213,132	$223,788	$234,972	$246,720	$259,056	$272,004	Annual
			$97.59	$102.47	$107.59	$112.97	$118.62	$124.55	$130.77	Hourly

APPOINTED AT-WILL DEPARTMENT DIRECTORS

Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0080	Economic and Development Development Services Director	850	$14,998	$15,748	$16,535	$17,362	$18,230	$19,142	$20,099	Monthly
			$179,976	$188,976	$198,420	$208,344	$218,760	$229,704	$241,188	Annual
			$86.53	$90.85	$95.39	$100.17	$105.17	$110.43	$115.96	Hourly
0069	Finance Director	772	$15,022	$15,773	$16,562	$17,390	$18,260	$19,173	$20,132	Monthly
			$180,264	$189,276	$198,744	$208,680	$219,120	$230,076	$241,584	Annual
			$86.67	$91.00	$95.55	$100.33	$105.35	$110.61	$116.15	Hourly
0049	Information Technology Director	851	$14,224	$14,935	$15,682	$16,466	$17,289	$18,153	$19,061	Monthly
			$170,688	$179,220	$188,184	$197,592	$207,468	$217,836	$228,732	Annual
			$82.06	$86.16	$90.47	$95.00	$99.74	$104.73	$109.97	Hourly
0306	Parks and Community Services Director	735	$13,549	$14,226	$14,937	$15,684	$16,468	$17,291	$18,156	Monthly
			$162,588	$170,712	$179,244	$188,208	$197,616	$207,492	$217,872	Annual
			$78.17	$82.07	$86.18	$90.48	$95.01	$99.76	$104.75	Hourly
0117	Public Works Director	791	$14,998	$15,748	$16,535	$17,362	$18,230	$19,142	$20,099	Monthly
			$179,976	$188,976	$198,420	$208,344	$218,760	$229,704	$241,188	Annual
			$86.53	$90.85	$95.39	$100.17	$105.17	$110.43	$115.96	Hourly

SWORN DIVISION MANAGERS IN THE CLASSIFIED SERVICE

Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0222	Assistant Fire Chief (Operations)	859	$14,595	$15,325	$16,091	$16,896	$17,741	$18,628	$19,559	Monthly
			$175,140	$183,900	$193,092	$202,752	$212,892	$223,536	$234,708	Annual
			$84.20	$88.41	$92.83	$97.48	$102.35	$107.47	$112.84	Hourly
0209	Deputy Police Chief	857	$14,595	$15,325	$16,091	$16,896	$17,741	$18,628	$19,559	Monthly
			$175,140	$183,900	$193,092	$202,752	$212,892	$223,536	$234,708	Annual
			$84.20	$88.41	$92.83	$97.48	$102.35	$107.47	$112.84	Hourly

NON SWORN DIVISION MANAGERS IN THE CLASSIFIED SERVICE										
Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0224	Assistant Fire Chief	860	$12,191	$12,801	$13,441	$14,113	$14,819	$15,560	$16,338	Monthly
	(Fire Marshal /		$146,292	$153,612	$161,292	$169,356	$177,828	$186,720	$196,056	Annual
	Community Risk Reduction)		$70.33	$73.85	$77.54	$81.42	$85.49	$89.77	$94.26	Hourly

SECTION 3. The following job classifications, placed under the Executive Salary Schedule, are hereby revised to reflect the salary ranges and monthly rates of pay specified, effective the pay period including July 1, 2025. The rate of pay for individual executives may be anywhere within the monthly minimum and maximum salary steps.

APPOINTED AT-WILL EXECUTIVES										
Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0075	Assistant City Manager	810	$17,932	$18,829	$19,770	$20,758	$21,796	$22,886	$24,030	Monthly
			$215,184	$225,948	$237,240	$249,096	$261,552	$274,632	$288,360	Annual
			$103.45	$108.63	$114.06	$119.76	$125.75	$132.03	$138.63	Hourly
0027	Deputy City Manager	853	$14,337	$15,054	$15,807	$16,597	$17,427	$18,298	$19,213	Monthly
			$172,044	$180,648	$189,684	$199,164	$209,124	$219,576	$230,556	Annual
			$82.71	$86.85	$91.19	$95.75	$100.54	$105.57	$110.84	Hourly
APPOINTED AT-WILL SWORN DEPARTMENT DIRECTORS										
Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0223	Fire Chief	793	$17,899	$18,794	$19,734	$20,721	$21,757	$22,845	$23,987	Monthly
			$214,788	$225,528	$236,808	$248,652	$261,084	$274,140	$287,844	Annual
			$103.26	$108.43	$113.85	$119.54	$125.52	$131.80	$138.39	Hourly
0207	Police Chief	792	$17,899	$18,794	$19,734	$20,721	$21,757	$22,845	$23,987	Monthly
			$214,788	$225,528	$236,808	$248,652	$261,084	$274,140	$287,844	Annual
			$103.26	$108.43	$113.85	$119.54	$125.52	$131.80	$138.39	Hourly
APPOINTED AT-WILL DEPARTMENT DIRECTORS										
Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0080	Economic and Development	850	$15,560	$16,338	$17,155	$18,013	$18,914	$19,860	$20,853	Monthly
	Development Services Director		$186,720	$196,056	$205,860	$216,156	$226,968	$238,320	$250,236	Annual
			$89.77	$94.26	$98.97	$103.92	$109.12	$114.58	$120.31	Hourly
0069	Finance Director	772	$15,587	$16,366	$17,184	$18,043	$18,945	$19,892	$20,887	Monthly
			$187,044	$196,392	$206,208	$216,516	$227,340	$238,704	$250,644	Annual
			$89.93	$94.42	$99.14	$104.09	$109.30	$114.76	$120.50	Hourly

Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0049	Information Technology Director	851	$14,757 $177,084 $85.14	$15,495 $185,940 $89.39	$16,270 $195,240 $93.87	$17,083 $204,996 $98.56	$17,937 $215,244 $103.48	$18,834 $226,008 $108.66	$19,776 $237,312 $114.09	Monthly Annual Hourly
0306	Parks and Community Services Director	735	$14,056 $168,672 $81.09	$14,759 $177,108 $85.15	$15,497 $185,964 $89.41	$16,272 $195,264 $93.88	$17,086 $205,032 $98.57	$17,940 $215,280 $103.50	$18,837 $226,044 $108.68	Monthly Annual Hourly
0117	Public Works Director	791	$15,560 $186,720 $89.77	$16,338 $196,056 $94.26	$17,155 $205,860 $98.97	$18,013 $216,156 $103.92	$18,914 $226,968 $109.12	$19,860 $238,320 $114.58	$20,853 $250,236 $120.31	Monthly Annual Hourly

SWORN DIVISION MANAGERS IN THE CLASSIFIED SERVICE

Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0222	Assistant Fire Chief (Operations)	859	$16,050 $192,600 $92.60	$16,853 $202,236 $97.23	$17,696 $212,352 $102.09	$18,581 $222,972 $107.20	$19,510 $234,120 $112.56	$20,486 $245,832 $118.19	$21,510 $258,120 $124.10	Monthly Annual Hourly
0209	Deputy Police Chief	857	$16,050 $192,600 $92.60	$16,853 $202,236 $97.23	$17,696 $212,352 $102.09	$18,581 $222,972 $107.20	$19,510 $234,120 $112.56	$20,486 $245,832 $118.19	$21,510 $258,120 $124.10	Monthly Annual Hourly

NON SWORN DIVISION MANAGERS IN THE CLASSIFIED SERVICE

Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0224	Assistant Fire Chief (Fire Marshal / Community Risk Reduction)	860	$12,650 $151,800 $72.98	$13,282 $159,384 $76.63	$13,946 $167,352 $80.46	$14,643 $175,716 $84.48	$15,375 $184,500 $88.70	$16,144 $193,728 $93.14	$16,951 $203,412 $97.79	Monthly Annual Hourly

SECTION 4. Effective the pay period including July 1, 2026, the existing Economic and Development Services Director classification is hereby renamed as the "Community Development Director classification".

SECTION 5. The following job classifications, placed under the Executive Salary Schedule, are hereby revised to reflect the salary ranges and monthly rates of pay specified, effective the pay period including July 1, 2026. The rate of pay for individual executives may be anywhere within the monthly minimum and maximum salary steps.

APPOINTED AT-WILL EXECUTIVES

Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0075	Assistant City Manager	810	$18,930	$19,876	$20,870	$21,914	$23,010	$24,160	$25,368	Monthly
			$227,160	$238,512	$250,440	$262,968	$276,120	$289,920	$304,416	Annual
			$109.21	$114.67	$120.40	$126.43	$132.75	$139.38	$146.35	Hourly
0027	Deputy City Manager	853	$14,838	$15,580	$16,359	$17,177	$18,036	$18,938	$19,885	Monthly
			$178,056	$186,960	$196,308	$206,124	$216,432	$227,256	$238,620	Annual
			$85.60	$89.88	$94.38	$99.10	$104.05	$109.26	$114.72	Hourly

APPOINTED AT-WILL SWORN DEPARTMENT DIRECTORS

Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0223	Fire Chief	793	$18,527	$19,453	$20,426	$21,447	$22,519	$23,645	$24,827	Monthly
			$222,324	$233,436	$245,112	$257,364	$270,228	$283,740	$297,924	Annual
			$106.89	$112.23	$117.84	$123.73	$129.92	$136.41	$143.23	Hourly
0207	Police Chief	792	$18,527	$19,453	$20,426	$21,447	$22,519	$23,645	$24,827	Monthly
			$222,324	$233,436	$245,112	$257,364	$270,228	$283,740	$297,924	Annual
			$106.89	$112.23	$117.84	$123.73	$129.92	$136.41	$143.23	Hourly

APPOINTED AT-WILL DEPARTMENT DIRECTORS

Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0080	Community Development Director	850	$16,105	$16,910	$17,756	$18,644	$19,576	$20,555	$21,583	Monthly
			$193,260	$202,920	$213,072	$223,728	$234,912	$246,660	$258,996	Annual
			$92.91	$97.56	$102.44	$107.56	$112.94	$118.59	$124.52	Hourly
0069	Finance Director	772	$16,132	$16,939	$17,786	$18,675	$19,609	$20,589	$21,618	Monthly
			$193,584	$203,268	$213,432	$224,100	$235,308	$247,068	$259,416	Annual
			$93.07	$97.73	$102.61	$107.74	$113.13	$118.78	$124.72	Hourly
0049	Information Technology Director	851	$15,273	$16,037	$16,839	$17,681	$18,565	$19,493	$20,468	Monthly
			$183,276	$192,444	$202,068	$212,172	$222,780	$233,916	$245,616	Annual
			$88.11	$92.52	$97.15	$102.01	$107.11	$112.46	$118.08	Hourly
0306	Parks and Community Services Director	735	$14,549	$15,276	$16,040	$16,842	$17,684	$18,568	$19,496	Monthly
			$174,588	$183,312	$192,480	$202,104	$212,208	$222,816	$233,952	Annual
			$83.94	$88.13	$92.54	$97.17	$102.02	$107.12	$112.48	Hourly
0117	Public Works Director	791	$16,105	$16,910	$17,756	$18,644	$19,576	$20,555	$21,583	Monthly
			$193,260	$202,920	$213,072	$223,728	$234,912	$246,660	$258,996	Annual
			$92.91	$97.56	$102.44	$107.56	$112.94	$118.59	$124.52	Hourly

SWORN DIVISION MANAGERS IN THE CLASSIFIED SERVICE

Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0222	Assistant Fire Chief (Operations)	859	$16,612	$17,443	$18,315	$19,231	$20,193	$21,203	$22,263	Monthly
			$199,344	$209,316	$219,780	$230,772	$242,316	$254,436	$267,156	Annual
			$95.84	$100.63	$105.66	$110.95	$116.50	$122.33	$128.44	Hourly
Class Code	**Class Title**	**Grade**	**Step 1**	**2**	**3**	**4**	**5**	**6**	**7**	
0209	Deputy Police Chief	857	$16,612	$17,443	$18,315	$19,231	$20,193	$21,203	$22,263	Monthly
			$199,344	$209,316	$219,780	$230,772	$242,316	$254,436	$267,156	Annual
			$95.84	$100.63	$105.66	$110.95	$116.50	$122.33	$128.44	Hourly

NON SWORN DIVISION MANAGERS IN THE CLASSIFIED SERVICE

Class Code	Class Title	Grade	Step 1	2	3	4	5	6	7	
0224	Assistant Fire Chief (Fire Marshal / Community Risk Reduction)	860	$13,091	$13,746	$14,433	$15,155	$15,913	$16,709	$17,544	Monthly
			$157,092	$164,952	$173,196	$181,860	$190,956	$200,508	$210,528	Annual
			$75.53	$79.30	$83.27	$87.43	$91.81	$96.40	$101.22	Hourly

SECTION 6. Except as expressly provided in the City Manager's Employment Agreement, the City Manager shall receive the same benefits as the other Executives.

SECTION 7. Effective the payroll period that includes January 1, 2025, the City Manager is eligible to move to Step 4 in the salary range which equates to a three and three quarter percent (3.75%) base salary increase. Effective the payroll period that includes December 2, 2025 and June 28, 2026, the City Manager's salary range will be reset as follows.

Code	Class Title	Grade	Step 3 Eff 1/1/24	4 Eff 1/1/25	1 Eff 12/2/25	1 Eff 6/28/26	
0076	City Manager	850	$26,523	$27,518.00	$26,666.67	$27,905	Monthly
			$318,276	$330,216	$320,000	$334,860	Annual
			$153.02	$158.76	$153.85	$160.99	Hourly

SECTION 8. The City of Costa Mesa has contracted with the California Public Employees Retirement System (CalPERS) to provide retirement benefits to eligible City employees.

8.1 CalPERS - Miscellaneous Members

Employees covered by this resolution who do not meet the definition of "new member" under the California Public Employees' Pension Reform Act of 2013

(PEPRA) (those unit members shall be referred to as “classic members”) are enrolled in either the CalPERS retirement plan provided for by Government Code section 21354.4, and commonly referred to as the 2.5% at age 55 retirement plan (“tier 1”), or the 2% at 60 formula provided for by Government Code section 21353 (“tier 2”).

A. Classic Members:

Effective April 16, 2017, the total contribution for tier 1 (2.5% @ 55) unit members will be 12% of compensation earnable, inclusive of statutory employee contributions and all cost sharing. The total contribution for tier 2 (2% @ 60) unit members will be 10% of compensation earnable, inclusive of statutory employee contributions and all cost sharing.
Effective the pay period that includes July 1, 2023, classic member employees subject to the 2.5%@55 formula shall have their cost sharing per Government Code section 20516(a) reduced by 1.469% for a net contribution of one percent (1%) and cost sharing pursuant to 20516(f) will be reduced from 1.531% to 0%.

Effective the pay period that includes July 1, 2023, classic member employees subject to the 2%@60 formula shall have their cost sharing per Government Code section 20516(f) reduced by 1% for a net contribution of two percent (2%).

B. New Members: Under PEPRA (see section 3.4 below):

Effective April 16, 2017, the total contribution for PEPRA tier 3 (2% @ 62) unit members will be 9% of pensionable compensation, inclusive of statutory employee contributions and cost sharing.

8.2 CalPERS - Safety Police Members

Employees covered by this resolution who do not meet the definition of “new member” under the California Public Employees’ Pension Reform Act of 2013 (PEPRA) (those unit members shall be referred to as “classic members”) are enrolled in the CalPERS retirement plan provided for by Government Code section 21362.2, and commonly referred to as the 3% at age 50 retirement plan (“tier 1”).

A. Classic Members:

Effective April 16, 2017, the total contribution for tier 1 (3% @ 50) unit members will be 12% of compensation earnable, inclusive of statutory employee contributions and all cost sharing.

B. New Members: Under PEPRA (see section 3.4 below):

Effective April 16, 2017, the total contribution for PEPRA tier 2 (2.7% @ 57) unit members will be 9% of pensionable compensation, inclusive of statutory employee contributions and cost sharing.

8.3 CalPERS – Safety Fire Members

Employees covered by this resolution who do not meet the definition of "new member" under the California Public Employees' Pension Reform Act of 2013 (PEPRA) (those unit members shall be referred to as "classic members") are enrolled in either the CalPERS retirement plan provided for by Government Code section 21362.2, and commonly referred to as the 3% at age 50 retirement plan ("tier 1") or the 2% at 50 formula provided for by Government Code section 21362 ("tier 2").

A. Classic Members

Effective June 21, 2020, the total contribution for tier 1 (3% @ 50) unit members will be 15% of compensation earnable, inclusive of statutory employee contributions and all cost sharing. The total contribution for tier 2 (2% @ 50) unit members will be 15% of compensation earnable, inclusive of statutory employee contributions and all cost sharing.

Effective the pay period that includes July 1, 2023, classic member employees subject to the 3%@50 formula shall have their cost sharing per Government Code section 20516(a) reduced by 2% for a net contribution of three percent (3%).

Effective the pay period that includes July 1, 2023, classic member employees subject to the 2%@50 formula shall have their cost sharing per Government Code section 20516(f) reduced by 2% for a net contribution of three percent (3%).

B. New Members: Under PEPRA (see section 7.4 below):

Upon adoption of this resolution by the City Council, the total contribution for PEPRA tier 3 (2.7% @ 57) will be 9% of pensionable compensation, inclusive of statutory employee contributions and cost sharing.

8.4 THE CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013 (PEPRA)

As it may from time to time exist, the PEPRA shall in its entirety be given full force and effect. PEPRA includes, but is not limited to, the provisions

described below:

Members hired on and after January 1, 2013, deemed to be a "new member" as defined in Government Code section 7522.04, shall individually pay an initial Member CALPERS contribution rate of 50% of the normal cost rate for the Defined Benefit Plan in which said "new member" is enrolled, rounded to the nearest quarter of 1%, or the current contribution rate of similarly situated employees, whichever is greater.

Members who are "new members" on and after January 1, 2013, shall be enrolled in the PEPRA provided for 2% @ 62 retirement formula for miscellaneous employees (Govt. Code section 7522.20), or 2.7% @ 57 for safety employees (Govt. Code section 7522.25(d)).

Members who are "new members" on and after January 1, 2013, shall have "final compensation" measured by the highest average annual pensionable compensation earned by the member during a period of at least 36 consecutive months (Section 7522.32.), and their retirement benefits shall be calculated based on "pensionable compensation" (Section 7522.10) rather than "compensation earnable" (Section 20636).

SECTION 9. The following classifications shall be provided with a City vehicle or monthly automobile allowance:

Assigned City Vehicle: City Manager, Fire Chief, Police Chief, Assistant Fire Chief, Deputy Police Chief

$575 Monthly Automobile Allowance: Administrative Services Director, Assistant City Manager, Deputy City Manager, Economic and Development Services Director, Finance Director, Information Technology Director, Parks and Community Services Director, Public Works Director

In all situations, the City Manager has the sole discretion to grant, modify or deny use of a City vehicle or grant an allowance for employees covered by this resolution.

SECTION 10. Employees covered by this resolution shall be provided with a $75 monthly technology allowance. The City Manager has the sole discretion to grant, modify or deny an allowance for employees covered by this resolution.

SECTION 11. With exception of the City Manager, a pay-for-performance evaluation and compensation system will be utilized for all employees in executive job classifications. All compensation increases for executives will be based upon continued meritorious service to the City.

SECTION 12. Effective the pay period that includes January 1, 2023, Executives and Managers are eligible to receive up to 10% in additional compensation for completing

the following educational courses, certificates and degrees which enhance their ability to do their job or for completing Peace Officer Standard Training (POST) certifications:

Certification/ Degree	Award
P.O.S.T. Executive Certificate	5.0%
FBI Academy	2.5%
Command College	2.5%
CA State Fire Chief	5.0%
National Fire Academy - Executive Fire Officer	2.50%
Master's Degree	2.50%
P.O.S.T. Management Certificate	5.0%
CA State Chief Fire Officer	5.0%

Effective the pay period that includes July 1, 2025, Executives and Managers are eligible to receive up to 10% in additional compensation for completing the following educational courses, certificates and degrees which enhance their ability to do their job or for completing Peace Officer Standard Training (POST) certifications:

Certification/ Degree	Award
P.O.S.T. Management / Executive Certificate	10.0%
FBI Academy	2.5%
Command College	2.5%
CA State Fire Chief	5.0%
National Fire Academy - Executive Fire Officer	2.50%
P.O.S.T. Management Certificate	5.0%
CA State Chief Fire Officer	5.0%
Center for Public Safety Excellence (CPSE) Accreditation Manager	5.0%

Awards are based on a percentage of base salary and paid on a bi-weekly basis. Effective July 1, 2025, the maximum cumulative award payable to any employee shall not exceed 10.0% of base salary. To the extent permitted by law, the compensation in this section is special compensation and shall be reported as educational incentive or Peace Officer Standard Training (POST) Certificate Pay pursuant to Title 2 California Code of Regulations, sections 571 and 571.1.

The Human Resources Division and City Manager will review eligible certifications periodically to ensure compliance with updated POST and/or State regulations and requirements.

SECTION 13. Effective the payroll that includes July 1, 2024, Sworn Police and Fire Division Managers including Division Managers performing in an acting assignment who have been employed in a 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) or in a sworn firefighting position (as defined in Government Code section 3251 or the out-

of-state equivalent for twenty-five (25) years or more shall receive longevity pay of ten percent (10%) of employee's base salary.

Effective the payroll that includes July 1, 2025, Sworn Police and Fire Directors/Executives and Sworn Police and Fire Division Managers performing in an acting assignment who have been employed in a full-time equivalent 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) or in a sworn firefighting position (as defined in Government Code section 3251 or the out-of-state equivalent for twenty (20) years or more shall receive longevity pay of twelve and one-half percent (12.5%) of employee's base salary.

The compensation in this section is special compensation and shall be reported as longevity pay pursuant to Title 2 California Code of Regulations, sections 571 and 571.1.

SECTION 14. Effective January 1, 1997, Employees including employees who meet the Department/City established standards and are routinely and consistently assigned to communicate in Spanish, Vietnamese, American Sign Language (ASL) and any other language approved by the City Manager shall receive two and one-half percent (2.5%) or five percent (5%) of the top step base salary and paid on a bi-weekly basis, pursuant to subsections A or B below. The compensation in this section is special compensation and shall be reported as bilingual premium pursuant to Title 2 California Code of Regulations, sections 571 and 571.1.

A. The following standard of spoken Spanish, Vietnamese, or American Sign Language is followed for the 2.5% Certification:

1. The applicant has the ability to create with language, recombining and adapting learned material to express personal meaning and can handle simple situations and transactions in the course of his/her work such as explanation of procedures, obtaining personal information, instructions to victims and onlookers, among others.

2. The applicant is able to maintain simple face-to-face conversations, asking and answering questions regarding everyday survival on topics most related to self and immediate work environment; courtesy requirements, and personal needs during the course of routine calls not likely to be of a life or death nature.

3. The applicant can be understood with some repetition by a sympathetic native speaker.

4. The applicant demonstrates mastery of work-related vocabulary including: time, days of the week, months, family members, parts of the body, motions and states, greetings, home and community, food and

beverages, alphabet and numbers, vehicles, simple commands, interrogatory words, etc.

5. Accuracy is required in the present tense and gender distinctions.

6. Core vocabulary of 300-600 words.

B. The 5% Certification requires:

1. Accuracy in present and past tenses.

2. Core vocabulary of 600-1200 words.

3. Exhibits good pronunciation, stress, and intonation skills as judged by the ability to be understood with little repetition or confusion by native speaker.

4. Ability to interview the victim of a crime or accident or other situation involving a native speaker and conduct simple interrogations and investigations which could be of a life or death nature.

5. Ability to understand description, narration, main ideas and details on a variety of topics beyond the immediate situation.

SECTION 15. The City provides uniforms for employees in the classification of Fire Chief, Police Chief, Assistant Fire Chief and Deputy Police Chief. The City will continue to replace, repair and maintain uniforms worn in the line of duty. The average cost ofthe uniforms/uniform allowances are reported as special compensation (for those employees defined as “classic employees” by the Public Employees’ Pension Reform Act of 2013) for retirement calculation purposes and reported as $17 per pay period effective April 1, 1998. The parties agree, to the extent permitted by law, this compensation is special compensation for “Classic Employees” and shall be reported as Uniform Allowance pursuant to Title 2 California Code of Regulations, section 571.

SECTION 16. The following are the eleven (11) designated observed holidays:

New Year’s Day - January 1st
Martin Luther King, Jr - 3rd Monday in January
President’s Day - 3rd Monday in February
Memorial Day - Last Monday in May
Juneteenth Day - June 19th
Independence Day - 4th of July
Labor Day – 1st Monday in September
Veteran’s Day - November 11th
Thanksgiving Day - 4th Thursday in November
Day after Thanksgiving - Day after the 4th Thursday in November

Christmas Day - December 25th

In the event any of the above holidays fall on Saturday, the preceding Friday (or Thursday if the preceding Friday is a closure day) will be observed. In the event any of the above holidays fall on Sunday, the following Monday will be observed.

A. In addition to the eleven (11) holidays above, employees receive sixteen (16) floating holiday hours. Employees may schedule with their supervisor any time during the year to use the floating holiday hours. At the end of the calendar year, any remaining holiday hours will be cashed out. Employees hired after January 1st of each year are eligible for the 16 hours of floating holiday pay on a pro-rata basis during the calendar year based on the established City holiday schedule. If an employee separates from the service of the City and has used or been paid for floating holiday pay in advance of Lincoln's Birthday and/or California Admission Day, the City will deduct the cash value for the floating holiday benefits paid, but unearned, from the final paycheck.

B. In order to be eligible for holiday pay for the eleven holidays above, an employee must either work or be on paid status the day immediately before, or after the holiday if scheduled.

C. All employees who receive time off for the above listed holidays shall receive full pay.

Sworn Division Managers (Deputy Police Chief and Assistant Fire Chief) work without regard to holiday and shall be compensated for holiday time of 104 hours per calendar year. 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, sections 571 and 571.1. Effective July 1, 2025, Sworn Division Managers (Deputy Police Chief and Assistant Fire Chief) will no longer be eligible for holiday pay or holiday hours. Sworn Division Managers who wish to take holidays off will be required to utilize personal leave.

SECTION 17. The City shall contribute an amount toward the executive flexible benefit plan bucket for the payment of premiums for affected employees and dependents under an IRS Section 125 Benefit Plan based upon the following criteria:

- Full family coverage for the PERS Platinum medical plan (or equivalent PERS PPO 90/10 plan) under the California Public Employees' Retirement System (CALPERS) health insurance programs
- Full family coverage for the Dental Indemnity plan
- Full premium payment for Life Insurance
- For Department Directors, Long Term Disability premium will be based upon the top step salary of the highest-salaried Department Director/Executive within the classified service
- For Division Managers, Long Term Disability premium will be based upon the

top step salary of the highest-salaried Division Manager within the classified service

The flex benefit amount is inclusive of CalPERS statutory minimum amount for each month. An employee who selects benefits which cost less than the dollars contributed by the City shall receive the remainder of the flexible benefit contribution in cash. Any amounts necessary to maintain benefit premiums in excess of the City contribution specified above shall be borne entirely by the executive employee.

SECTION 18. Employees covered by this resolution shall accrue vacation leave at the following rates and shall be capped at the following maximum levels:

Years of Service	Annual Accrual 40-Hour	Maximum Accrual 40-Hour
1-2	92	184
3-4	116	232
5-9	140	280
10-14	164	320
15-19	188	320
20+	212	320

Vacation Leave Cash-Outs – Each fiscal year, employees will have the following cash-out options: 1) One eighty (80) hour cash-out any time during the fiscal year, regardless of the employee's maximum accrual and regardless of the employee's Vacation Leave usage; and, 2) Up to four cash-outs per fiscal year, any time during the fiscal year (irrespective of quarter), based on a "2 for 1" usage ratio, up to a maximum of 80-hours for each cash out. For example, if an employee uses 10 hours of Vacation Leave, the employee could cash out up to 20 hours of Vacation Leave; in order for an employee to cash-out the maximum of 80-hours Vacation Leave, the employee would need to use 40 hours of Vacation Leave.

Vacation Leave Cash-Out for 2026 and Thereafter - On or before December 31 of each calendar year**,** an employee may make an irrevocable election to cash out up to 212 hours of vacation leave which will be earned in the following calendar year at the employee's base rate of pay as follows:

An employee can cash out vacation during any quarter of the following year as long as on the date(s) chosen for cash out the employee has earned at least the amount of vacation he/she chooses to cash out. Employees who made an irrevocable election to cash out vacation (up to a maximum of 212 hours for the year) shall choose to be paid out during one or more of the following payroll periods:

- Payroll period which includes April 1st
- Payroll period which includes July 1st
- Payroll period which includes October 1st
- Final Payroll period of the calendar year.

Employees will notify the Human Resources Division of which quarter(s) they wish their

cash outs to be paid by the payroll deadlines as set by the Finance Department and Human Resources Division. Any remaining elected vacation hours that have not been previously paid out during the year will be paid out on the final payroll period of the calendar year.

All employees who are at the Maximum Accrual Level or who may reach the Maximum Accrual Level shall utilize the “Cash-Out” and/or “Vacation Leave” options so as to NOT exceed the Vacation Accrual Ceiling. Other than exceptions granted based upon City and/or Departmental needs as approved by the City Manager, there will no other cash-out of Vacation Leave time beyond the Maximum Accrual rates that have been established.

SECTION 19. Employees covered by this resolution shall accrue 3.69 hours of sick leave per pay period into a Primary Sick Leave Bank. Sworn Fire Division Managers hired or promoted prior to the pay period including December 2, 2025 shall accrue 4.80 hours of sick leave per pay period. Sworn Police Division Managers hired or promoted prior to the pay period including December 2, 2025 shall accrue 4.0 hours of sick leave per pay period. Employees may accrue up to 480 hours of sick leave in a Primary Sick Leave Bank.

When an employee has 480 hours of sick leave in their Primary Sick Leave bank, their pay period accrual will be distributed in the following manner:

A. At the employee's option, one-half of the benefit will be:

1. Paid as monetary compensation to the employee at the employee's then current hourly base rate of pay or,

2. Converted into vacation hours. If this option is chosen, the employee cannot accrue more than the maximum vacation hours as provided in the vacation hours article of this MOU.

B. The remaining one-half benefit will be placed in the employee's Secondary Sick Leave Bank.

If an employee has a Secondary Sick Leave Bank, the first 40 hours of sick leave used per calendar year must be from this bank. Hours in this bank may also be used in the event of a verified non-industrial disability which has resulted in an absence from duty of at least 60 consecutive calendar days. In this event, sick leave in the Secondary Sick Leave Bank may be used for additional consecutive absences resulting from the disability; or it may be used to supplement LTD payments (so that the employee receives his/her full compensation) should the employee qualify for long term disability benefits. Additionally, an amount of sick leave equal to the hours used from the Primary Bank for said disability (i.e., if an employee is out for at least 60 days) may be transferred from the Secondary Bank to the Primary Bank provided that such transfer shall not result in there being in excess of 480 hours in the Primary Bank.

At the time of separation from the City, (unless terminated for cause) with a minimum of 20 years of continuous service, including/or if separation is by retirement (defined as having applied for retirement benefits from CalPERS), the employee shall have the option of:

A. Being paid at his/her then current hourly rate for one-half of the sick leave accrued in both his/her Primary Sick Leave Bank, and Secondary Sick Leave Bank and the remaining one-half will be applied towards his or her service credit, or,

B. The employee can choose to apply all credited time (both Banks) towards his or her service credit.

SECTION 20. The City shall grant Executive Leave to management personnel not to exceed forty (40) hours per payroll calendar year. The City Manager may grant up to an additional sixty (60) hours of Executive Leave each payroll calendar year.

SECTION 21. Pursuant to the Executive Professional Development Reimbursement Program, the City agrees to reimburse Department Directors up to $2,300 and Division Managers up to $1,300 per fiscal year for activities, materials, equipment or fees that will aid in their individual professional development or support employee wellness, mental and physical health. The intent of this program is to encourage and recognize executive staff for pursuing educational, professional or community-oriented activities, enhancing job skills and expertise, and/or purchasing materials/equipment, which improve the executive's performance and well-being. These activities, materials, equipment or fees are intended to be beyond what is budgeted for individuals through the annual budget cycle. The reimbursement options available include the following:

- Professional memberships, licenses and certificates that are job-related
- Professional conferences that are job-related including fees and other expenses while attending
- Membership dues in community organizations relevant to the executive's job assignment
- Purchase of job-related professional journals, periodicals, books or other written materials which further knowledge or improvement of effectiveness in performance of duties
- Education fees that exceed the City's annual $1,250 tuition reimbursement limit
- Activities, materials, equipment or fess that promote employee wellness, mental and physical health
- Direct purchase of qualifying computer equipment defined in Administrative Regulation 2.29

The Assistant City Manager must approve participation in the activities and/or purchase of the materials/equipment in advance. Claims for reimbursement must be accompanied by documentation that an eligible expense has been incurred during the fiscal year for the

executive employee only. Employee may not request reimbursement for any activities, materials, equipment or fees that have already been reimbursed through a Flexible Spending Account, Health Savings Account or similar program. Any portion of the reimbursement amount not incurred within the fiscal year shall remain City funds unless prior approval has been received by the City Manager. Requests to carry forward unencumbered amounts to the next fiscal year must receive approval by the City Manager prior to the end of the fiscal year. All payments will be in the form of reimbursement and no executive employee will directly receive cash for this benefit. Reimbursements, which are subject to taxation, will be processed through the payroll system. The Finance Department shall administer this program in accordance with the stated purpose and will provide the appropriate forms and procedures. This reimbursement program does not prohibit individual departments from continuing to budget funds for executive staff attendance at professional conferences and seminars, for the payment of professional membership dues, and/or for the purchase of books, journals and written materials that are job-related and will enhance an executive's knowledge or expertise.

SECTION 22. The 401(a) deferred compensation plan provides executives with another tax-deferred savings plan for future financial planning. Except as provided in the City Manager's Employment Agreement, Executives and Department Directors covered by the Executive Compensation Plan and executive salary schedule shall receive a $15,000 annual contribution to the City's 401(a) plan. Division Managers covered by the Executive Compensation Plan and executive salary schedule shall receive 0.5% per pay period for those who elect to participate in the 401(a) plan. Effective January 1, 2026, the City Manager shall receive a $50,000 annual contribution to the City's 401(a) plan. Beginning January 1, 2027, the 401(a) annual contribution shall increase by Five Thousand Dollars ($5,000) per calendar year, subject to the maximum contribution limits allowed by federal law.

Except as provided in the City Manager's Employment Agreement, executives must make any and all 457 deferred compensation contributions. The City shall contribute to City Manager's 457 account the maximum annual contribution permitted, including applicable catch-up provisions.

SECTION 23. All resolutions and parts of resolutions in conflict herewith are hereby rescinded.

PASSED AND ADOPTED this 29th day of October, 2026.

_____
John Stephens, Mayor

ATTEST:

APPROVED AS TO FORM:

_____
Brenda Green, City Clerk

_____
Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss
CITY OF COSTA MESA)

I, **BRENDA GREEN**, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 2026-XX and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 29th day of October, 2026, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS: .

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 29th day of October, 2026.

_____
Brenda Green, City Clerk