

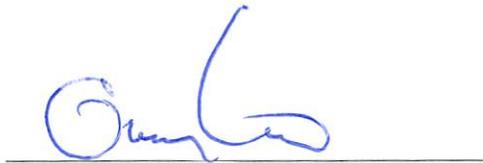
Fiscal Impact Analysis for COIN Ordinance  
 Cost of Costa Mesa Police Officers Association (CMPA) Contract  
 City Counter Offer October 20, 2015 ( 2.5% 1.5% 1.5%)

	Value of Pay/Benefit	Existing Contract FY 14-15 Cost to City (1)	Full Year Expiration of the 5% Employee Retirement Contr.	City Counter Offer Projected FY 15-16 Cost to City	City Counter Offer Projected FY 16-17 Cost to City	City Counter Offer Projected FY 17-18 Cost to City	Existing Unfunded Liability	Projected Unfunded Liability	Existing Funded Liability	Projected Funded Liability
Base Salary	varies	\$13,214,151	\$13,214,151	\$13,544,504	13,747,672	13,953,887				
Pension / Retirement Benefits	3.0%@50 2.7%@57	6,708,022 Included above	7,445,881 Included above	6,902,959	7,345,270	7,548,307	82,006,287 (3)		143,166,937 (3)	
Cafeteria Plan Benefits	\$7,572	961,644	961,644	961,644	961,644	961,644				
Bilingual Pay	5.00%	104,937	104,937	107,560	109,174	110,811				
Bilingual Pay	2.50%	22,491	22,491	23,053	23,399	23,750				
Canine Care Pay	8.75%	0	0	0	0	0				
Field Training Pay	12.50%	15,859	15,859	16,255	16,499	16,747				
Police Hazardous Materials Pay		0	0	0	0	0				
Motor Officer Maintenance Pay	\$4,637	42,563	42,563	42,563	42,563	42,563				
Motor Officer Assignment Pay	5.00%	38,288	38,288	39,245	39,834	40,431				
Motor Training Officer Assign Pay	5.00%	0	0	0	0	0				
POST Advanced Certificate Pay	10.00%	987,711	987,711	1,012,404	1,027,590	1,043,004				
POST Intermediate Certificate Pay	5.00%	45,116	45,116	46,244	46,938	47,642				
Shooting Pay--Police Officers Pay	Point based	1,163	1,163	1,163	1,163	1,163				
Uniform Pay--Patrol	2.50%	245,784	245,784	251,929	255,708	259,544				
Estimated Costs:										
Medicare	1.45%	208,386	208,386	213,595	216,799	220,051				
Retiree Medical (4)	6.04%	798,135	798,135	818,088	830,359	842,815	12,315,588		1,083,560	
Overtime (5)		1,226,641	1,226,641	1,257,307	1,276,166	1,295,309				
Excess Accrual Payoff / Cash outs (6)		164,412	164,412	63,557	64,511	65,478				
<b>Total</b>		<b>\$24,785,303</b>	<b>\$25,523,162</b>	<b>\$25,302,072</b>	<b>\$26,005,290</b>	<b>\$26,473,147</b>				
<b>Difference</b>			<b>\$737,859</b>	<b>(\$221,089)</b>	<b>\$703,217</b>	<b>\$467,857</b>				

Total Number of Employees 127

Council Member Acknowledgement:

  
 Sandra Genis, Council Member

  
 Gary Monahan, Council Member

  
 Katrina Foley, Council Member

- (1) - Cost of Contract per item based on FY 2014-15 Preliminary Budget worksheets. Includes 4% salary increase effective July 2014.
- (2) -
- (3) - Amounts from PERS Valuation for the City's Safety Police Plan dated October 2014.
- (4) - 6.04% rate per employee is not explicit in the contract, however is calculated based on the Annual Required Contribution (ARC) amount as calculated as of June 30, 2014 by Nyhart, an independent actuary for GASB 45 compliance, and documented in the City's CAFR. Existing net unfunded liability is 93.2% of covered payroll per the 2014 Nyhart report.
- (5) - Overtime amount is not explicit in the contract, however is estimated based on the proportional share of budgeted amounts.
- (6) - Payoff - Cash out is not explicit in the contract, however is estimated based on the proportional share of budgeted amounts. Amount could include payoff of accrued hours upon separation.

**CITY OF COSTA MESA**

**COUNTER, OCTOBER 20, 2015**

**TO CMPA JULY 15, 2015 COUNTER PROPOSAL**

1. Term (Article 2): Four (4) years. July 1, 2014 through June 30, 2018.
2. CalPERS retirement contribution (Article 5): CMPA to assume responsibility for paying the entire nine (9%) employee contribution as follows:
  - a. Effective upon approval and adoption of the MOU by the City Council, CMPA to assume responsibility for paying 5% of employee contribution;
  - b. Effective July 1, 2016, CMPA to assume responsibility for paying additional 2% of employee contribution (for a total of 7%); and,
  - c. Effective July 1, 2017, CMPA to assume responsibility for paying additional 2% of employee contribution (for a total of 9%).)
3. CalPERS Cost Sharing (Article 5): CMPA members to pay five percent (5%) of their pensionable income toward the City's Employer Contribution to CalPERS.
4. Salary Adjustment (Article 3): CMPA members to receive total 5.5% salary increase, as follows:
  - a. Effective July 1, 2015, CMPA to receive 2.5% salary increase;
  - b. Effective July 1, 2016, CMPA to receive 1.5% salary increase; and,
  - c. Effective July 1, 2017, CMPA to receive 1.5% salary increase.
5. Retiree Health Savings Plan (RHSP) (Article 7): City is willing to reinstate RHSP with employees contributing 1%, without matching City contribution; however, the law and the terms of the plan require that it be mandatory as to all members (it cannot be optional). Willing to discuss.
6. The City rejects the CMPA proposal regarding the establishment of a new pay scale for CMPA members.
7. The City is willing to discuss language clean-up, and will also be making language proposals.
8. Vacation Leave (Article 14.1, subsection 9):

- a. the City proposes to reduce Vacation Accrual Cap from 424 hours to 320 hours
- b. Vacation Leave Cash Outs, the City proposes that employees will be allowed to cash out two weeks (80 hours) vacation for every one week (40 hours) of vacation used, up to 4 times per year; Every July 1, 320 cap may be reduced by cash out to 240 hours at the option of the employee.
- c. 2<sup>nd</sup> Tier Annual Vacation Accruals for New Employees:
  - 0-2 years 80 hours
  - 3-6 years 120 hours
  - 7-12 years 140 hours
  - 12+ years 160 hours

9. Sick Leave (Article 15):

- a. For employees hired prior to Council adoption of MOU, combine primary and secondary sick leave accounts and freeze at total hours on date of MOU adoption.
- b. No cash out/no cash value of any primary or secondary account balances.
- c. As regards primary and secondary sick leave accounts, maintain 100% sick leave conversion to service credit at 1 day = 0.004 years service credit.
- d. For employees hired on and after Council adoption of MOU, there shall be no primary or secondary accounts.
- e. For all employees going forward, the first payroll period commencing on or after Council adoption of MOU, each employee, whether or not having a primary and/or secondary sick leave account, shall be credited with a 192 hour SICK LEAVE BANK.
- f. July 1 of each year – not greater than 96 hours shall be credited to the SICK LEAVE BANK account – not to exceed a resulting cap of 192 hours.
- g. No cash out/no cash value/no service credit conversion as to the SICK LEAVE BANK.
- h. For lateral employees hired on and after Council adoption of MOU, such employees will be immediately credited with 80 hours in their SICK LEAVE BANK.