

**COSTA MESA CITY EMPLOYEES ASSOCIATION  
BARGAINING PROPOSAL**

1. **TERM.** One (1) year. July 1, 2016 through June 30, 2017.
2. **WAGES.** Effective July 1, 2016, CMCEA bargaining unit employees shall receive a three and one-half percent (3.5%) general wage increase. Effective January 1, 2017, CMCEA bargaining unit employees shall receive a three and one-half percent (3.5%) general wage increase.
3. **RETIREMENT CONTRIBUTIONS BY EMPLOYEES.** Delete Paragraphs 6.2, 6.3, and 6.4 of the April 1, 2013 - June 30, 2016 MOU between the parties and substitute the following:

**PEPRA "Classic Members"**

- (a) Beginning with the first full pay period following the date of adoption by the City Council, CMCEA bargaining unit employees deemed to be "classic members" under PEPRA shall pay 100% of their statutorily required member contribution equal to eight percent (8%) of pensionable income for Tier 1 members and seven percent (7%) of pensionable income for Tier 2 members.
- (b) Beginning with the first full pay period following the date of adoption by the City Council, CMCEA bargaining unit employees deemed to be "classic members" under PEPRA shall contribute two percent (2%) of their pensionable income toward the City's employer contribution to CalPERS.
- (c) To the extent permitted by CalPERS and IRS regulations, this contribution shall be implemented through payroll deductions on a pre-tax basis.

**PEPRA "New Members" Hired on and after January 1, 2013**

- (a) Beginning with the first full pay period following date of adoption by the City Council, CMCEA bargaining unit employees deemed to be "new members" under PEPRA shall pay 100% of their statutorily required member contribution equal to 6.75% of pensionable income.
- (b) Beginning with the first full pay period following date of adoption by the City Council, CMCEA bargaining unit employees deemed to be "new members" under PEPRA shall contribute two percent (2%) of their pensionable income toward the City's employer contribution to CalPERS.
- (c) To the extent permitted by CalPERS and IRS regulations, this contribution shall be implemented through payroll deductions on a pre-tax basis.

**AUGUST 31, 2016**

4. **FLEXIBLE BENEFIT CONTRIBUTION** – Effective July 1, 2016, the City’s Flexible Benefit Contribution per employee per month shall increase from \$971 to \$1,371.
5. **MOU PROVISIONS** – Except as provided in this offer, all remaining terms and conditions of the April 1, 2013 – June 30, 2016 Memorandum of Understanding between the parties, including side letters, shall remain in full force and effect through the term of this agreement.

Fiscal Impact Analysis for COIN Ordinance  
 CMCEA Bargaining Proposal August 31, 2016  
 Based on Fiscal Year 2016-17 Budgeted Costs

	Value of Pay/ Benefit	Existing Contract Budgeted FY 16-17 Cost to City	CMCEA Proposal August 31, 2016	Existing Unfunded Liability	Projected Unfunded Liability	Existing Funded Liability	Projected Funded Liability
Base Salary		\$17,167,521	\$18,079,116 (6)				
Pension / Retirement Benefits	2.5% @ 55 2.0% @ 60 2.0% @ 62	4,588,323 Included above Included above	4,997,051 (8) Included above Included above	\$62,543,308 (4)	62,543,308	\$145,529,956 (4)	145,529,956
Cafeteria Plan Benefits	\$919/month	2,602,608	3,882,571 (7)				
Bilingual Pay	5.00%	139,974	147,406				
Bilingual Pay	2.50%	3,462	3,646				
Class A / B License Pay	\$700	4,200	4,200				
Emergency Med Dispatch Pay	5.00%	40,136	42,267				
Medicare	1.45%	248,105	261,279				
Shift Differential Pay	5.00%	19,589	20,629				
Shift Differential Pay	7.50%	73,747	77,663				
Shift Differential/AM Pay	10.00%	28,597	30,115				
Shorthand Pay	2.50%	4,896	5,157				
Uniform Pay		19,263	20,286				
Estimated Costs:							
Retiree Medical (1)		761,675	761,675	17,407,866 (5)	17,407,866		
Overtime (2)		325,359	342,635				
Excess Vacation Payoff / Cashouts (3)		148,177	156,045				
Total		<u>\$26,175,630</u>	<u>\$28,831,740</u>				
Change from base:			2,656,110				
Total Number of Employees		236	236				

Council Member Acknowledgement:

Stephen Mensinger, Mayor

James Rignheimer, Mayor Pro-Tem

Sandra Genis, Council Member

Gary Monahan, Council Member

Katrina Foley, Council Member

Notes:

- (1) - Prorated share based on ratio of total retiree medical budget to total regular salaries.
- (2) - Prorated share based on ratio of total overtime budget to total regular salaries.
- (3) - Prorated share based on ratio of total payouts budget to total regular salaries.
- (4) - Amounts from PERS Valuation for Miscellaneous Employees dated October 2015 prorated to this group.
- (5) - From the June 30, 2014 Nyhart report--  
Unfunded amount is a proportional share of the current total unfunded liability amount of \$35.8 million.
- (6) - General wage increase of 3.5% effective July 1, 2016 and 3.5% effective January 1, 2017.
- (7) - Increase flexible benefit contribution from \$919/month to \$1,371/month.
- (8) - Proposal is for employees of all three tiers to contribute 7.044% less; amount is displayed at a six-month impact.