



# CITY COUNCIL AGENDA REPORT

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MEETING DATE: September 19, 2006

ITEM NUMBER:

**SUBJECT:** SALARY ADJUSTMENTS FOR CLASSIFICATIONS REPRESENTED BY THE COSTA MESA POLICE MANAGEMENT ASSOCIATION AND COSTA MESA POLICE ASSOCIATION

**DATE:** September 5, 2006

**FROM:** ADMINISTRATIVE SERVICES DEPARTMENT/HUMAN RESOURCES DIVISION

**PRESENTATION BY:** TERRI L. CASSIDY, HUMAN RESOURCES MANAGER

**FOR FURTHER INFORMATION CONTACT:** TERRI L. CASSIDY, AT (714) 754-5115

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## **RECOMMENDATION:**

1. Adopt Resolution Number 06 - \_\_\_\_ (Attachment I) which implements salary range adjustments for job classifications represented by the Costa Mesa Police Management Association (CMPMA).
2. Adopt Resolution Number 06 - \_\_\_\_ (Attachment II) which implements salary range adjustments for job classifications represented by the Costa Mesa Police Association (CMPA).
3. Approve Budget Adjustment BA 07-016 (Attachment III) for \$687,013 to appropriate funds for the above-listed salary adjustments.

## **BACKGROUND:**

The City and the CMPMA, and CMPA, are currently in the final year of three-year agreements that commenced on September 1, 2004. The existing contract language governing adjustments for the CMPMA and CMPA will be implemented. This is consistent with the methodology recently used and approved by the City Council to establish salary adjustments for the Costa Mesa Firefighters Association (CMFA). Summarized, it includes the following:

THREE PHASES – The Parties hereby agree upon a basis of compensation which is revenue sensitive and recognizes mutual interests. The basis of compensation includes implementation of three phases:

Phase I utilizes the median (or average, as applicable to the respective employee association) total compensation of the agreed-upon benchmark survey agencies for the top step benchmark classifications to determine a “fair wage”. The survey agencies utilized in this process include Costa Mesa’s contiguous agencies: Fountain Valley, Huntington Beach, Irvine, Newport Beach, Santa Ana and as negotiated, the Orange County Sheriff’s Department. Costa Mesa’s total compensation is not calculated in the median/average.

Phase II has utilized the concept of an affordability factor since 1994. The City will use the most recent Chapman University Economic and Business Review/Forecast Update Report and most recent Department of Labor Consumer Price Index (CPI-W) to determine affordability. The Chapman Report shall be limited to Orange County variables of Total Payroll Employment and Total Taxable Sales from the previous year-end (estimated actuals). The actual calculation is as follows: add Total Payroll Employment to Total Taxable Sales and subtract CPI. The June Chapman Report and the August CPI-W will be utilized as they are the most recent to the timing of the survey data and adjustment period.

Phase III – For the final year of the agreement, the City will use the greater of: 1) the median/average fair wage increase, or 2) affordability.

### **ANALYSIS:**

The total compensation calculations indicated that the median/average fair wage increase, was lower than the affordability factor of 3.4% for the benchmark classifications. As negotiated with CMPMA and CMPA the City will adjust salary ranges by the affordability factor, since it was greater than the median/average fair wage increase.

### **ALTERNATIVES CONSIDERED:**

No other alternatives were considered for the CMPMA and CMPA as the City is obligated under the Government Code to implement the salary adjustments as agreed upon in the negotiated MOUs.

### **FISCAL REVIEW:**

The estimated total annual impact to the General Fund is \$764,961 = \$564,055 in salaries, holiday allowance, and overtime; and, \$200,906 in related benefits. The budget impact for FY 06-07 \$687,013 = \$505,436 in salaries; holiday allowance and overtime; and, \$181,577 in related benefits. The FY 06-07 adopted budget provided some appropriation for salary adjustments. The attached BA # 07-016 transfers funds from the Non-Departmental cost center to the Police Department's operating budget to cover the salary adjustment for the remainder of FY 06-07.

### **LEGAL REVIEW:**

The City Attorney has reviewed and approved the Resolutions.

### **CONCLUSION:**

As provided in the 2004 – 2007 Memoranda of Understanding between the City and the CMPMA and CMPA, staff presents for City Council approval the 3.4% salary adjustments and the attached resolutions that implement the adjustments retroactive to the pay period that includes September 1, 2006.

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TERRI L. CASSIDY  
Human Resources Manager

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STEPHEN N. MANDOKI  
Director of Administrative Services

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MARC R. PUCKETT  
Director of Finance

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KIMBERLY HALL BARLOW  
City Attorney

DISTRIBUTION: City Manager  
Assistant City Manager  
City Attorney  
Finance Director  
City Clerk  
CMPMA  
CMPA

ATTACHMENTS: I [Salary Resolution 06 - CMPMA](#)  
II [Salary Resolution 06 - CMPA](#)  
III [Budget Adjustment 07-016](#)