

CITY OF COSTA MESA
OPENING PROPOSAL TO CMFA
JANUARY 13, 2016

1. Revise Article 1
2. Term (Article 2): Three (3) years. July 1, 2014 through June 30, 2017.
3. Clean up Salary language (Article 3)
4. Clean up Health Insurance language (Section 5.4)
5. Clean up Retirement/PEPRA language (Sections 6.1, 6.4)
6. CMFA Tier 1 employees to assume responsibility for paying the entire 9% employee contribution (EPMC) (Section 6.1), and Tier 2 employees to begin 5% cost sharing.
7. Clean up CalPERS Contract language (Section 6.3)
8. Clean up Retiree Medical language (Article 7)
9. Eliminate sick leave counting as FLSA hours worked (Article 10)
10. Add Section 10.5, Portal to Portal
11. Clean up Staffing Levels and Work Schedule language (Article 12)
12. Labor/Mgmt meetings *at least* twice in a calendar year (Article 14)
13. Clean up Tiller Incentive Pay language (Article 17)
14. Reduce and restructure sick leave (Article 20, Section 25.3)
 - 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. Must use primary and secondary leave accounts first.
 - c. No cash out/no cash value of any primary or secondary account balances.
 - d. As regards primary and secondary sick leave accounts, maintain 100% sick leave conversion to service credit at 1 day = 0.004 years service credit.

- e. For employees hired on and after Council adoption of MOU, there shall be no primary or secondary accounts.
 - f. 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 269 hour SICK LEAVE BANK.
 - g. July 1 of each year – not greater than 134 hours shall be credited to the SICK LEAVE BANK account – not to exceed a resulting cap of 269 hours.
 - h. No cash out/no cash value as to the SICK LEAVE BANK.
15. Clean up Long Term Disability language (Article 21)
16. Reduce and restructure vacation leave (Article 25)
- a. the City proposes to reduce Vacation Accrual Cap from 526.4 hours to 448 hours
 - b. Vacation Leave Cash Outs, the City proposes that employees will be allowed to cash out 112 hours vacation for every 56 hours of vacation used, up to 4 times per year; Every July 1, 448 cap may be reduced by cash out to 336 hours at the option of the employee.
 - c. Reduce Annual Vacation Accruals for Current Employees:
 - 1-2 years 128.8 to 96 hours
 - 3-4 years 162.4 to 120 hours
 - 5-9 years 196 to 144 hours
 - 10-14 years 229.6 to 168 hours
 - 15-19 years 263.2 to 192 hours
 - 20+ years 296.8 to 216 hours
 - d. 2nd Tier Annual Vacation Accruals for New Employees:
 - 1 year 56 hours
 - 2-5 years 112 hours
 - 6+ years 168 hours

17. Notice of Discipline (Section 31.4)
18. FBOR Appeal Procedures (Section 31.6, 31.7, 31.8)
19. Clean up New Contract Negotiations language (Section 34.2)
20. Clean up City Manager to *Chief Executive Officer* throughout
21. Appendix A, Attachment A, Clean up language re Collection Facility
22. New Appendix F, Fire Department Operational Restructuring (Article 12)
23. New Appendix G, 56 Hour Work Week Schedule (Article 12)

Fiscal Impact Analysis for COIN Ordinance
 Cost of Costa Mesa Fire Association (CMFA) Contract
 City's Opening Proposal January 13, 2016

	Value of Pay/ Benefit	Existing Contract FY 15-16 Cost to City	Existing Contract FY 16-17 Cost to City (1)	City Opening Proposal Cost to City (2)	Existing Unfunded Liability	Projected Unfunded Liability	Existing Funded Liability	Projected Funded Liability
Base Salary	varies	\$7,225,750	\$7,172,219	\$7,172,219				
Pension / Retirement Benefits	3% @ 50 2% @ 50 2.7% @ 57	4,516,575 Included above Included above	5,058,625 Included above Included above	4,343,759 Included above Included above	29,070,888 (3)	29,070,888	112,404,728 (3)	112,404,728
Pension Fire Side Fund Balance					21,061,457 (3)	21,061,457	N/A	N/A
Cafeteria Plan Benefits	\$6,672	487,056	516,720	516,720				
Bilingual Pay	5.00%	69,146	108,651	108,651				
Bilingual Pay	2.50%	7,144	17,285	17,285				
Licenses & CERT Program		474,711	472,219	472,219				
Paramedic Assignment Pay	\$500	4,000	20,157	20,157				
Holiday Allowance		333,496	287,081	287,081				
Longevity Pay		2,268	2,268	2,268				
Fire Administration Pay	10.00%	11,408	11,408	11,408				
Estimated Costs:								
Medicare	1.45%	116,426	117,747	117,747				
Retiree Medical (4)	6.04%	436,435	433,202	433,202	7,272,630	7,272,630	0	0
Overtime (5)		1,907,878	2,046,097	1,994,708				
Excess Accrual Payoff / Cash outs (6)		34,195	34,555	17,773				
Total		\$15,626,488	\$16,298,234	\$15,515,197				
Difference				(\$783,036)				

Total Number of Employees 73 73 73

Council Member Acknowledgment

Steve Mensinger, Mayor

Jim Rigeimer, Mayor Pro Tem

Sandra Genis, Council Member

Gary Montahan, Council Member

Katrina Foley, Council Member

- (1) - Cost of Contract per item based on FY 2016-17 Adopted Budget.
- (2) - Opening proposal includes retirement cost sharing and changes in overtime and no cash value of leave account balances.
- (3) - Amounts from PERS Valuation for the City's Fire Plan as of June 30, 2014.
Fire Side Fund balance per CalPERS Valuation as of June 30, 2015, page 8.
- (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 unfunded liability is 101.4% 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.