

Costa Mesa Firefighters Association
Proposal Presented to the City on June 1, 2017

Via Email

1. City's proposal of 5/17/17 of a 4-year term with agreement expiring on June 30, 2021 is accepted;
2. City's proposal of 5/17/17 of a wage increase and additional PERS contributions is accepted (12% wage increase in exchange for a 9% PERS contribution);
3. City's proposal of 5/17/17 on health insurance is accepted;
4. City's proposal on staffing levels and work schedule & certification program and tiller pay are partially accepted, except with the cap being increased by 1.5% from 7.5% to 9% and the addition of a separate arson investigator assignment pay at 5%. This increased cap is necessary, otherwise, the tiller pay would not be realized by any members as they are currently capped out. In addition, the arson investigator pay only impacts 6 members and is consistent with what most surrounding agencies pay;
5. City's proposal on new vacation cap is accepted, but change to accrual is not (consistent with POA agreement);
6. City's concept of coming up with solution to constructive receipt doctrine is accepted;
7. We have TA'd layoff language; and
8. City's proposal to exclude sick and vacation leave from overtime is accepted with a 14 day FLSA work period and forced hours being paid at overtime regardless of time off).

Fiscal Impact Analysis for COIN Ordinance
 Cost of Costa Mesa Fire Association (CMFA) Contract
 CMFA Proposal to City **May 30, 2017**

	Value of Pay/ Benefit	Existing Contract FY 16-17 Cost to City (1)	Estimated Cost FY 17-18 Cost to City	Estimated Cost FY 18-19 Cost to City	Estimated Cost FY 19-20 Cost to City	Estimated Cost FY 20-21 Cost to City	Existing Unfunded Liability	Projected Unfunded Liability	Existing Funded Liability	Projected Funded Liability
Base Salary (2)	varies	\$7,172,219	\$7,498,196	\$7,954,837	\$8,072,396	\$8,072,396				
Pension / Retirement Benefits (8) (11)	3% @ 50 2% @ 50 2.7% @ 57	5,134,459 Included above Included above	5,629,486 Included above Included above	6,043,647 Included above Included above	6,634,607 Included above Included above	6,885,745 Included above Included above	29,070,888 (3)	29,070,888 (10)	112,404,728 (3)	112,404,728
Pension Fire Side Fund Balance							22,212,863 (3)	21,361,519	N/A	N/A
Cafeteria Plan Benefits	\$6,672	516,720	1,576,800 (9)	1,856,244	1,856,244	1,856,244				
Bilingual Pay	5.00%	108,651	113,590	120,507	124,122	127,846				
Bilingual Pay	2.50%	17,285	18,070	19,171	19,746	20,338				
Licenses & CERT Program		472,219	713,004	756,426	767,605	767,605				
Paramedic Assignment Pay	\$500	20,157	20,777	21,647	21,871	21,871				
Holiday Allowance		287,081	300,129	318,407	323,113	323,113				
Longevity Pay		2,268	2,268	2,268	2,268	2,268				
Fire Administration Pay	10.00%	11,408	11,927	12,653	12,840	12,840				
Fire Investigation Assignment Pay	varies	0	0	0	0	0				
Tuition Reimbursement increase \$1,250 to \$1,500/yr			18,250	18,250	18,250	18,250				
Arson Investigator	5.00%	0	32,346	34,316	34,823	34,823				
Estimated Costs:										
Medicare	1.45%	119,686	125,126	132,746	134,708	134,708				
Retiree Medical (4)	6.04%	433,202	452,891	480,472	494,886	509,733	7,272,630	7,272,630	0	0
Overtime (5)		2,046,097	2,160,966	2,411,255	2,567,381	2,687,821				
Excess Accrual Payoff / Cash outs (6)		34,555	36,126	38,326	39,475	40,660				
Total		\$16,376,008	\$18,709,952	\$20,221,171	\$21,124,335	\$21,516,260				
Difference			\$2,333,944	\$1,511,219	\$903,164	\$391,925				
					TOTAL	\$5,140,253				

Percent Change 14.3% 8.1% 4.5% 1.9%

Total Number of Employees (7) 73 73 73 73 73

Council Member Acknowledgement:



 Katrina Foley, Mayor



 Sandra Genis, Mayor Pro Tem



 Alan Mansoor, Council Member



 James Righeimer, Council Member



 John Stephens, Council Member

- (1) - Cost of Contract per item based on FY 2016-17 Adopted Budget.
- (2) - Proposed wage increase of 3% every six months through January 1, 2019.
- (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. Includes additional amount based on a 14-day work period with forced or mandatory shifts as paid at the overtime rate.
- (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.
- (7) - Number of employees increased by 6 as approved by Council on January 3, 2017.
- (8) - Proposes Tier 1 employee paid share (currently 5%) increase by 3%, 3% and 3% for a total of 14% by July 1, 2018. For simplicity, assumes all employees are Tier 1.
- (9) - Health insurance monthly City contribution increases from current \$556 to \$1,800 in year 1 and to \$2,119 in year 2.
- (10) - Unfunded liability could increase by an unknown amount due to salary increases above the CalPERS assumed 3% per year.
- (11) - Note: On January 18, 2017 CalPERS announced a three-year phase in plan to reduce the discount rate from 7.5% to 7.0% beginning FY 18-18. Based on the midpoint of the impact range provided by CalPERS, the possible impact could be an additional annual retirement cost for this group of \$1,130,747 by FY 20-21; \$1,940,535 by FY 22-23.