

# RLS RAINS LUCIA STERN ST. PHALLE & SILVER, PC

Stephen H. Silver  
Attorney at Law  
SHSilver@RLSlawyers.com

March 30, 2018

VIA ELECTRONIC MAIL [TOM.HATCH@COSTAMESACA.GOV] & FIRST CLASS MAIL

Thomas Hatch, City Manager  
City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626

**Re: Proposals of Costa Mesa Police Association for a New MOU Effective July 1, 2018**

Dear Mr. Hatch,

Pursuant to California Government Code 3505, the Costa Mesa Police Association hereby requests the City of Costa Mesa to commence negotiations for a successor Memorandum of Understanding to the one expiring June 30, 2018 and hereby submits the following proposals for a successor agreement. Except as set forth below, the Association proposes that all existing wages, hours, and other terms and conditions of employment of represented employees within the Association's scope of representation shall remain in full force and effect throughout the entire duration of the successor agreement. The proposals of the Association for a three year Memorandum of Understanding commencing July 1, 2018 through and including June 30, 2021 are set forth below:

1. Increase the total compensation of each represented employee by 5% effective July 1, 2018, an additional 5% effective July 1, 2019 and an additional 5% effective July 1, 2020. The increases shall be allocated among total compensation ingredients in a manner designated by the Association. The value of a 5% total compensation increase shall be the dollar cost to the City of providing a 5% salary increase, which includes the pay increase and all incidental expenses that are tied to providing a salary increase such as retirement contributions, premium payments that are percentage of base salary, state disability or worker's compensation insurance premiums, and overtime, etc.
2. Any other matter arising subsequent to the writing of this letter that may be rendered necessary by a change in state or federal law or may be mutually agreed upon by the parties.

Representatives of the association are anxious to commence the negotiations process in an expeditious manner. Therefore, please have an authorized representatives of the City contact

Thomas Hatch, City Manager  
Re: Proposals of New MOU  
March 30, 2018  
Page 2

me at his or her earliest convenience so that we can make arrangements to commence the process. In the meantime, if you have any questions regarding the contents of this letter or would like to discuss this subject further, please feel free to have an authorized representative or yourself contact me.

Very truly yours,

**RAINS LUCIA STERN**  
**ST. PHALLE & SILVER, PC**

  
Stephen H. Silver

SHS:lc

cc: Costa Mesa Police Association  
Tammy Letourneau (via e-mail [Tamara.Letourneau@costamesaca.gov] only)  
Lance Nakamoto (via e-mail [Lance.Nakamoto@costamesaca.gov] only)

**Fiscal Impact Analysis for COIN Ordinance  
 Cost of Costa Mesa Police Association (CMPA) Contract  
 Based on Fiscal Year 2018-19 Budgeted Costs  
 CMPA Proposal #1 Dated 3/30/18**

	Value of Pay/ Benefit	Base Summary Existing Contract FY 18-19 Cost to City (1)	Cost to City for Proposal #1			Existing Unfunded Liability	Projected Unfunded Liability	Existing Funded Liability	Projected Funded Liability
			FY 18-19 Cost to City	FY 19-20 Cost to City	FY 20-21 Cost to City				
Base Salary		\$ 13,908,217	\$ 14,603,627	\$ 15,333,809	\$ 16,100,499				
Pension / Retirement Benefits (3.0% @ 50)		6,582,148	6,911,256	8,128,189	9,296,839	\$ 113,617,488 (2)	\$ 119,064,738	\$ 161,157,811 (2)	
Pension / Retirement Benefits (2.7% @ 57)		2,870,933	3,014,479	3,530,300	4,026,188				
Cafeteria Plan Benefits	\$ 7,572	961,644	961,644	961,644	961,644				
Bilingual Pay	5.00%	171,274	171,274	179,838	188,830				
Bilingual Pay	2.50%	14,765	14,765	15,503	16,278				
Canine Care Pay		0	0	1,973	2,072				
Field Training Pay	12.50%	50,610	53,140	55,797	58,587				
Police Hazardous Materials Pay		0	0	0	0				
Motor Officer Maintenance Pay	\$6,645	33,225	34,886	36,631	38,462				
Motor Officer Assignment Pay	5.00%	30,590	32,119	33,725	35,412				
POST Advanced Certificate Pay	10.00%	800,714	840,750	882,787	926,927				
POST Intermediate Certificate Pay	5.00%	116,512	122,338	128,455	134,878				
Shooting Pay--Police Officers Pay		0	0	0	0				
Uniform Pay--Patrol	2.50%	241,724	253,810	266,501	279,826				
<b>Estimated Costs:</b>									
Medicare	1.45%	222,097	233,202	244,862	257,105				
Retiree Medical (3)	8.87%	1,233,659	1,295,342	1,360,109	1,428,114	20,876,233			
Overtime (4)		1,148,182	1,205,591	1,265,871	1,329,164				
Excess Accrual Payoff / Cash outs (5)		151,860	159,453	167,426	175,797				
<b>Total</b>		<b>\$ 28,538,153</b>	<b>\$ 29,907,677</b>	<b>\$ 32,593,419</b>	<b>\$ 35,256,621</b>				
Annual \$ Increase			\$ 1,369,524	\$ 2,685,742	\$ 2,663,202				
Annual % Increase			5%	9%	8%				
Four year increase			---	---	\$ 6,718,468				
Total Number of Employees		127	127	127	127				

- Notes:
- (1) - Cost of Contract per item based on FY 2018-19 Preliminary Budget worksheets.
  - (2) - Amounts from PRELIMINARY June 30, 2017 PERS Valuation for the City's Safety Police Plan prorated to this group.
  - (3) - 8.87% rate is calculated based on the Annual Required Contribution (ARC) amount calculated as of June 30, 2016 by Nyhart, an independent actuary for GASB 45 compliance. Total liability is 150.1% of covered payroll per page 5 of the same Nyhart report.
  - (4) - Overtime amount is not explicit in the contract, however is estimated based on the proportional share of budgeted amounts.
  - (5) - 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.

Fiscal Impact Analysis for COIN Ordinance  
Cost of Costa Mesa Police Association (CMPA) Contract  
Based on Fiscal Year 2018-19 Budgeted Costs  
CMPA Proposal #1 Dated 3/30/18

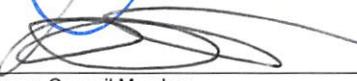
Council Member Acknowledgement:

  
\_\_\_\_\_  
Sandra Genis, Mayor

  
\_\_\_\_\_  
Allan Mansoor, Mayor Pro-Tem

  
\_\_\_\_\_  
Katrina Foley, Council Member

\_\_\_\_\_  
James Righeimer, Council Member

  
\_\_\_\_\_  
John Stephens, Council Member