



**City of Costa Mesa
Proposal # 1 to the Costa Mesa Police Association
August 9, 2018**

Below is the City's opening proposal. The City will present a track changed MOU with proposals to modify the MOU in early September.

Term

- Three (3) years (July 1, 2018 - June 30, 2021)

Flexible Benefit Contribution

- Increase in monthly City contribution from \$631 to \$1,031 effective in the pay period following City Council approval of the MOU. On the same date, the maximum amount which an employee may receive for opting out of medical coverage and/or choosing medical coverage which is less expensive than the City's monthly contribution will increase from \$631 to \$746.
 - For example, if an employee opts out of medical insurance, he/she will receive \$746 in taxable cash. If the employee chooses a plan which costs \$500, he/she will receive \$531 in taxable cash – the difference between \$1,031 and \$500.
- Effective in the pay period which includes July 1, 2019, increase in monthly City contribution from \$1,031 to \$1,531. On the same date, the maximum amount which an employee may receive for opting out of medical coverage and/or choosing medical coverage which is less expensive than the City's monthly contribution will increase from \$746 to \$890 in taxable cash.
 - For example, if an employee opts out of medical insurance, he/she will receive \$890 in taxable cash. If the employee chooses a plan which costs \$600, he/she will still receive \$890 in taxable cash (the maximum cash back) since the combined benefit and maximum cash back are less than the monthly City contribution. If the employee chooses a plan which costs \$700, he/she will receive \$831 in taxable cash – the difference between \$1,531 (the monthly benefit) and \$700.

- Effective in the pay period which includes July 1, 2020, increase in monthly City contribution from \$1,531 to \$2,119. On the same date, the maximum amount which an employee may receive for opting out of medical coverage and/or choosing medical coverage which is less expensive than the City's monthly contribution will increase from \$890 to \$1,060 in taxable cash.
 - For example, if an employee opts out of medical insurance, he/she will receive \$1,060 in taxable cash. If the employee chooses any plan which costs less than \$1,059, he/she will still receive the \$1,060 in taxable cash – which is the maximum cash back. If an employee chooses a plan which costs between \$2,119 and \$1,059, the employee will receive the difference between \$2,119 and the cost of the plan in monthly taxable cash.

Fiscal Impact Analysis for COIN Ordinance
Cost of Costa Mesa Police Association (CMPA) Contract
Based on Fiscal Year 2018-19 Budgeted Costs
CMPA City Proposal #1 Dated 8/9/18

	Value of Pay/ Benefit	Base Summary Existing Contract FY 18-19 Cost to City (1)	Cost to City			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	\$ 13,908,217	\$ 13,908,217	\$ 13,908,217				
Pension / Retirement Benefits (3.0% @ 50)		6,582,148	6,582,148	7,372,507	8,030,959	\$ 113,617,488 (2)	\$ 106,959,738	\$ 161,157,811 (2)	
Pension / Retirement Benefits (2.7% @ 57)		2,870,933	2,870,933	3,202,086	3,477,972				
Cafeteria Plan Benefits (Year 1) per month	\$ 13,524	961,644	1,717,548						
Cafeteria Plan Benefits (Year 2) per month	19,476			2,473,452					
Cafeteria Plan Benefits (Year 3) per month	25,428				3,229,356				
Bilingual Pay	5.00%	171,274	171,274	171,274	171,274				
Bilingual Pay	2.50%	14,765	14,765	14,765	14,765				
Canine Care Pay		0	0	16,287	16,287				
Field Training Pay	12.50%	50,610	50,610	50,610	50,610				
Police Hazardous Materials Pay		0	0	0	0				
Motor Officer Maintenance Pay	\$6,645	33,225	33,225	33,225	33,225				
Motor Officer Assignment Pay	5.00%	30,590	30,590	30,590	30,590				
POST Advanced Certificate Pay	10.00%	800,714	800,714	800,714	800,714				
POST Intermediate Certificate Pay	5.00%	116,512	116,512	116,512	116,512				
Shooting Pay--Police Officers Pay		0	0	0	0				
Uniform Pay--Patrol	2.50%	241,724	241,724	241,724	241,724				
Estimated Costs:									
Medicare	1.45%	222,097	222,097	222,097	222,097				
Retiree Medical (3)	8.87%	1,233,659	1,233,659	1,233,659	1,233,659	20,876,233			
Overtime (4)		1,148,182	1,148,182	1,148,182	1,148,182				
Excess Accrual Payoff / Cash outs (5)		151,860	151,860	151,860	151,860				
Total		\$ 28,538,153	\$ 29,294,057	\$ 31,187,760	\$ 32,878,002				
Annual \$ Increase			\$ 755,904	\$ 1,893,703	\$ 1,690,242				
Annual % Increase			3%	6%	5%				
Cummulative Cost to City			\$ 755,904	\$ 3,405,511	\$ 7,745,360				
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.

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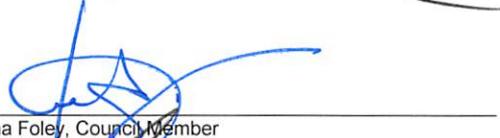
Council Member Acknowledgement:



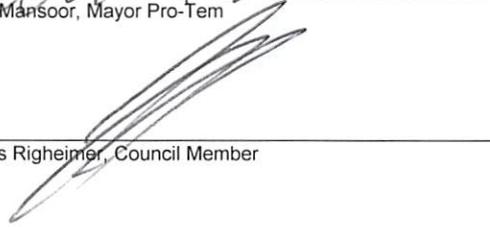
Sandra Genis, Mayor



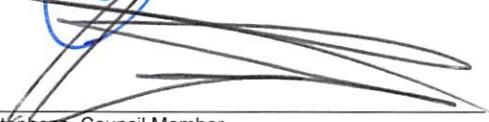
Allan Mansoor, Mayor Pro-Tem



Katrina Foley, Council Member



James Rigeimer, Council Member



John Stephens, Council Member