

**CITY OF COSTA MESA**  
**PROPOSAL #4 TO CMPMA – LAST BEST & FINAL**  
**SEPTEMBER 18, 2018**

**ARTICLE 2 – TERM OF AGREEMENT**

1. Term (Article 2): Four (4) years. July 1, 2018 through June 30, 2022.

**ARTICLE 3 – SALARY**

Year 1 – Beginning with the first full pay period starting after ratification of this MOU by the City Council, a 3% increase for all classifications subject to this MOU.

Year 2 – Beginning with the pay period inclusive of July 1, 2019: 3% increase for all classifications subject to this MOU.

Year 3 – Beginning with the pay period inclusive of July 1, 2020: 3% increase for all classifications subject to this MOU.

Year 4 – Beginning with the pay period inclusive of July 1, 2021: 3% increase for all classifications subject to this MOU.

**ARTICLE 4 – HEALTH INSURANCE**

Beginning with the first full pay period starting after ratification of this MOU by the City Council, the monthly contribution for all classifications subject to this MOU shall be increased from \$526 to \$2,119, of which \$1,060 per month maximum can be cashed out for Lieutenants and from \$1,000 to \$2,119, of which \$1,060 per month maximum can be cash out for Captains.

**ARTICLE 5 – RETIREMENT**

**Increases in employee contributions. All employees to pay 14% of compensation earnable/pensionable compensation by the third year of this of MOU per the schedule below when combining both employee contributions plus cost sharing paid by employees:**

**TIER 1 (Currently 9% EPMC plus 5% cost sharing under Government Code section 20516(f) for a total employee contribution of 5%).**

Beginning with the first full pay period starting after ratification of this MOU by the City Council:

EPMC reduced from 9.0% for all Tier 1 members to 6%.  
(Total employee contributions plus cost sharing = 8%).

Beginning with the pay period inclusive of July 1, 2019:

EPMC reduced from 6.0% for all Tier 1 members of the unit to 3%.  
(Total employee contributions plus cost sharing = 11%).

Beginning with the pay period inclusive of July 1, 2020:

EPMC reduced from 3.0% for all Tier 1 members of the unit to 0%.  
(Total employee contributions plus cost sharing = 14%).

#### **ARTICLE 10 – POST PAY**

1. Reject - Establish 3% Advanced Professional Development longevity pay for Captains after three (3) years in rank and after completing the POST Executive Development Course and graduating with a Master's Degree, Command College, FBI National Academy or equivalent.

#### **OVERTIME/120 HOURS OF COMPTIME REQUEST**

1. Reject – Authorize accrual of approved compensatory time in lieu of pay with a 40-hour cap

#### **TECHNOLOGY ALLOWANCE**

Beginning with the first full pay period starting after ratification of this MOU by the City Council, \$75 per month for technology allowance.

#### **RETIREMENT HEALTH SAVINGS PLAN**

1. Withdrawn

#### **PROFESSIONAL DEVELOPMENT**

1. Beginning with the first full pay period starting after ratification of this MOU by the City Council, \$1,000 per fiscal year for professional development for Lieutenants.

**Fiscal Impact Analysis for COIN Ordinance**  
**Cost of Costa Mesa Police Management Association (CMPMA) Contract**  
**Based on Fiscal Year 2017-18 Budgeted Costs**  
**CMPMA City Counter Proposal #4 LAST, BEST & FINAL Dated 9/18/18**

	Value of Pay/ Benefit	Existing Contract FY 17-18 Cost to City (1)	Costs 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	FY 21-22 Cost to City				
Base Salary		\$ 1,272,258	\$ 1,310,426	\$ 1,349,739	\$ 1,390,231	\$ 1,431,938				
Pension / Retirement Benefits	3.0% @ 50	895,021	973,682	1,067,608	1,147,447	1,258,120	\$ 9,989,667 (2)		\$ 13,118,040 (2)	
Cafeteria Plan Benefits (Capt)	\$ 2,119	50,856	50,856	50,856	50,856	50,856				
Cafeteria Plan Benefits (Lt)	\$ 526	37,872	152,568	152,568	152,568	152,568				
Deferred Compensation 401a		1,766	1,819	1,874	1,930	1,988				
Bilingual Pay		8,859	9,125	9,399	9,680	9,971				
POST Advanced Certificate Pay	10.00%	91,903	94,660	97,499	100,424	103,437				
POST Advanced Prof Dev Pay (Capt)	5.00%	0	0	0	0	0				
POST Advanced Longevity Pay (Capt)	3.00%	0	0	0	0	0				
POST Management Certificate Pay	5.00%	17,662	18,191	18,737	19,299	19,878				
Advanced Professional Development	5.00%	0	0	0	0	0				
Shooting Pay--Police Officers Pay	Point based	0	0	0	0	0				
Uniform Pay--Patrol	2.50%	18,945	19,514	20,099	20,702	21,323				
Assigned Vehicle Cost		50,835	50,835	50,835	50,835	50,835				
Technology Allowance	\$ 75	0	7,200	7,200	7,200	7,200				
Professional Development Reimb. Program	\$1,000/yr	0	6,000	6,000	6,000	6,000				
Retirement Health Plan		0	0	0	0	0				
<b>Estimated Costs:</b>										
Medicare	1.45%	20,465	21,079	21,712	22,363	23,034				
Retiree Medical (3)	8.87%	112,849	116,235	119,722	123,313	127,013	1,909,659			
Excess Accrual Payoff / Cash outs (4)		31,425	32,368	33,339	34,339	35,369				
Proposed Lieutenant Overtime		0	0	0	0	0				
<b>Total</b>		<b>\$ 2,610,716</b>	<b>\$ 2,864,557</b>	<b>\$ 3,007,186</b>	<b>\$ 3,137,188</b>	<b>\$ 3,299,529</b>				
Annual \$ Increase			\$ 253,842	\$ 142,628	\$ 130,002	\$ 162,342				
Annual % Increase			9.7%	5.0%	4.3%	5.2%				
Cummulative Cost to City			\$ 253,842	\$ 650,312	\$ 1,176,784	\$ 1,865,597				
<b>Total Number of Employees</b>		<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>				

Notes:

- (1) - Cost of Contract per item based on FY 2017-18 Adopted Budget worksheets.
- (2) - Amounts from June 30, 2016 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) - Payoff - Cash out is not explicit in the contract, however is based on 12 months actual payouts for this group.
- (5) - Analysis for Proposal #1 included an impact on FY 17/18 because the initial proposal requested an increase upon adoption. As a result of negotiations continuing into FY 18/19, there is no fiscal impact on FY 17/18 therefore this column has been removed.

Fiscal Impact Analysis for COIN Ordinance  
Cost of Costa Mesa Police Management Association (CMPMA) Contract  
Based on Fiscal Year 2017-18 Budgeted Costs  
**CMPMA City Counter Proposal #4 LAST, BEST & FINAL Dated 9/18/18**

Council Member Acknowledgement:



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Sandra Genis, Mayor



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Allan Mansoor, Mayor Pro-Tem



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Katrina Foley, Council Member



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James Righelmer, Council Member



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John Stephens, Council Member

## Civic Openness in Negotiations (COIN) Analysis Certification

### ***City of Costa Mesa Ordinance No. 12-7, Article 2 states:***

Section 2.237(a) In order to implement the requirements of section 2-236, the city shall have prepared on its behalf, by an independent auditor in cooperation with the Finance Director, a study of supplemental data upon which the study is based, determining the fiscal impacts attributed to each term and condition of employment made available to the members of all recognized employee organizations.

Section 2.237(b) The above report and findings of the independent auditor shall be completed and made available for review by the city council and the public at least thirty (30) days before consideration by the city council of an initial meet and confer proposal to be presented to any recognized employee organization regarding negotiation of an amended, extended, successor, or original memorandum of understanding.

Section 2.237(c) The above report shall be regularly updated by the independent auditor to itemize the costs and the funded and unfunded actuarial liability which would or may result from adoption or acceptance of each meet and confer proposal. These measurements shall display the fiscal impacts of the employee association and/or city proposals.

### ***Certification:***

In accordance with this section, Lance, Soll & Lunghard, LLP has reviewed the **Costa Mesa Police Management Association's Proposal #4 Best & Final dated 9/18/18** and the related study of supplemental data prepared by the City and believe that they accurately reflect the fiscal impacts of the proposal.



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