

Fiscal Impact Analysis for COIN Ordinance
 Cost of Costa Mesa City Employee's Association (CMCEA) Contract
 Based on Fiscal Year 2013-2014 Budgeted Costs at 6/18/2013

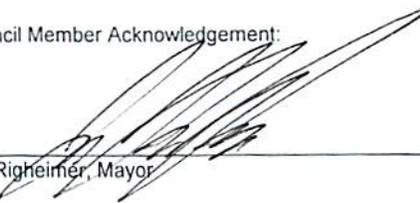
	Value of Pay/ Benefit	Existing Contract CY 2012 Cost to City (1)	Existing Contract Projected FY 13-14 Cost to City	New Contract Projected FY 13-14 Cost to City (2)	Existing Unfunded Liability	Projected Unfunded Liability	Existing Funded Liability	Projected Funded Liability
Base Salary	varies	\$13,422,320	\$15,159,365	\$15,840,526				
Pension / Retirement Benefits	2.5%@55 2.0%@60	2,943,823	4,133,724	4,084,453	\$69,915,454 (3)		\$147,217,268 (3)	
Cafeteria Plan Benefits	\$9,588	1,743,541	2,042,244	4,170,864				
Bilingual Pay	5.00%	126,691	136,097	143,435				
Bilingual Pay	2.50%	4,154	4,712	4,966				
Class A / B License Pay	\$700	10,149	9,800	9,800				
Emergency Med Dispatch Pay	5.00%	49,384	54,321	57,250				
Matron Duty Pay	5.00%	2,189	0	0				
Shift Differential/PM Pay	5.00%	22,987	34,623	36,490				
Shift Differential Pay	7.50%	39,088	52,906	55,759				
Shift Differential/AM Pay	10.00%	39,300	54,691	57,640				
Shorthand Pay	2.50%	4,556	7,746	8,164				
Estimated Costs:								
Retiree Medical (4)	5.25%	795,867	795,867	795,867	13,491,834			
Overtime		666,007	660,000 (5)	660,000				
Excess Accrual Payoff / Cashouts		283,093	300,000 (6)	300,000				
Total		\$20,153,149	\$23,565,634	\$26,351,197				
				2,785,563				

Total Number of Employees 179 - 209
 Included - Authorized

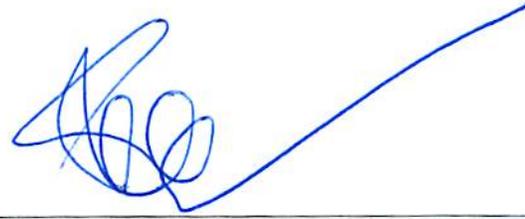
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 Included

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Council Member Acknowledgement:



 Jim Righeimer, Mayor



 Steve Mensinger, Mayor Pro-Tem



 Sandra Genis, Council Member



 Gary Monahan, Council Member



 Wendy Leece, Council Member

(1) - Cost of Contract per item based on Calendar Year 2012 Compensation Report.

(2) - Based on Contract proposal dated September 12, 2013:

Proposal No. 3 Provide a general wage increase or decrease on September 1 of each year in a percentage amount equal to one-half of the percentage of the increase or decrease in total annual City General Fund revenue from the previous fiscal year.

Total FY 2011-12 general fund revenue was \$95,681,957 per the CAFR page 22.

Total FY 2012-13 general fund revenue is estimated at \$106,000,000.

The percentage increase is 10.784%.

One half of that is 5.392%

Base salary impact is estimated at \$681,161 for 10 months plus impact on other pay categories

Proposal No. 4: reduction of sick leave annual accrual rate and maximum bank 1 balance

Before any sick leave usage is taken into account, this proposal would result in a total of additional 2,223 hours flowing into bank 2.

One-half of these hours (1,111 hours) could be cashed out or used as vacation time off prior to separation or retirement.

This has future unknown cost impacts on payouts upon separation or retirement and is further dependent on actual sick leave usage patterns.

The potential cost of this proposal is not reflected in the amounts above.

Proposal No. 5: increase CALPERS contributions.

PERS2T 2.5%@55 EE contribution increases by 1.949% from 8.52% to 10.469%

Proposal is silent on PERS2T 2%@60 EE contribution and PERS3T 2%@62 EE contribution.

Savings to city is calculated at \$258,237 on base salary.

Proposal No. 6: increase the flexible benefit of \$799 per month to \$1,458/mo. in 2013; \$1,834/mo. in 2014.

On an annual basis, this results in an increase of \$2,128,620.

Proposal No. 9: potential utility cost savings from holiday closure is to be determined.

(3) - Amounts from PERS Valuation for Miscellaneous Employees dated October 2012 - including non-CMCEA represented employees.

(4) - 5.25% 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, 2012 by Nyhart, an independent actuary for GASB 45 compliance, and documented in the City's CAFR.

Unfunded amount is a proportional share (based on budgeted payroll) of the current total unfunded liability amount of \$36.4 million.

(5) - Overtime amount is not explicit in the contract, however is estimated based on historical actual costs incurred by the City.

(6) - Payoff - Cashout is not explicit in the contract, however is estimated based on historical actual cost incurred by City.

Amount could include payoff of accrued hours upon separation.

(7) - Total number of Employees includes total amount included in the numbers above that column as well as total authorized by the City Council as part of the annual budget process. The difference between the two are authorized vacant/unfilled positions at the time of report.