

Fiscal Impact Analysis for Compliance with City Council Policy 300-8 - Transparency in Labor Negotiations

CONFIDENTIAL

Cost of Costa Mesa Fire Association (CMFA) Contract
 Based on Fiscal Year 2023-24 Projected Costs
 Base Analysis 2023-24 and CMFA Proposal 1 Dated December 4, 2023

Value of Pay/ Benefit	CMFA	1.00%	4.25%		5.00%		5.00%		\$ Diff	
	Baseline Analysis FY 23-24 Cost to City ⁽¹⁾	Value of 1% FY 23-24 Cost to City	\$ Diff	FY 24-25 Cost to City	\$ Diff	FY 25-26 Cost to City	\$ Diff	FY 26-27 Cost to City		
Base Salary	\$ 9,053,391	\$9,143,925	\$90,534	\$9,438,160	\$384,769	\$9,910,068	\$471,908	\$10,405,571	\$495,503	
<i>Incremental cost on Base Salary only</i>		<i>\$90,534</i>		<i>\$384,769</i>		<i>\$471,908</i>		<i>\$495,503</i>		
Pension / Retirement Benefits										
UAL	7,306,482	7,379,547	-	7,306,482	-	7,306,482	-	7,306,482	-	
F1 PERS -Tier 1 - Classic	3.0% @ 50	2,108,908	2,621,573	25,956	2,198,537	89,629	2,308,463	109,927	2,423,887	115,423
F2 PERS-Tier 2 - Classic	2.0% @ 50	21,269	Included Above		22,173	904	23,281	1,109	24,445	1,164
F3- PEPRA	2.7% @ 57	465,440	Included Above		485,222	19,781	509,483	24,261	534,957	25,474
Employee Contribution Reduction										
Cafeteria - Health Benefits	\$25,428 per year	2,059,668	2,059,668	-	2,059,668	-	2,059,668	-	2,059,668	-
Bilingual Pay-BLF	5.0%	147,384	148,858	1,474	153,648	6,264	161,330	7,682	169,396	8,066
Bilingual Pay- BLX	2.5%	23,581	23,817	236	24,584	1,002	25,813	1,229	27,103	1,291
Certificate Program	Varies	524,262	529,505	5,243	546,544	22,281	573,871	27,327	602,564	28,694
Additional Certifications Request					255,254	255,254	268,017	12,763	281,418	13,401
Fire Administration Assignment - AAF	10.0%	26,719	26,986	267	27,854	1,136	29,247	1,393	30,710	1,462
Paramedic Pay- First Assigned	10.0%	39,622	40,018	396	41,306	1,684	43,371	2,065	45,540	2,169
Paramedic Pay- 1st Recertification	11.25%	92,900	93,829	929	96,849	3,948	101,691	4,842	106,776	5,085
Paramedic Pay- 2nd Recertification	12.50%	52,857	53,386	529	55,104	2,246	57,859	2,755	60,752	2,893
Paramedic Pay- 3rd Recertification	13.75%	171,920	173,639	1,719	179,227	7,307	188,188	8,961	197,597	9,409
Longevity Pay	Frozen									
Holiday Allowance - hours per year	134.4 hrs	380,779	380,779	-	396,962	16,183	416,810	19,848	437,651	20,841
Tuition Reimbursement- annually	\$1,500.00	2,700	2,727	27	2,700	-	2,700	-	2,700	-
Uniform Pay	\$ 442.00	22,100	22,321	221	23,039	939	24,191	1,152	25,401	1,210
Recruitment and Retention Pay	Varies	126,517	127,782	1,265	131,894	5,377	138,489	6,595	145,413	6,924
Recruitment and Retention: 7.5% at 20 Yrs of Svc: 7/1/24	7.50%				268,998	268,998	282,448	13,450	296,571	14,122
Recruitment and Retention: 5% at 15 Yrs of Svc: 7/1/25	5.00%						232,564	232,564	244,192	11,628
Recruitment and Retention: 2.5% at 10 Yrs of Svc - prorated to Jan: 7/1/26	2.50%								41,015	41,015
Fire Administration Assignment - New- \$500 every two years - pending FLSA	\$500									
Fire Administrative Assignment - specialty pay - pending OT and FLSA Impacts	10%				28,675	28,675	30,109	1,434	31,615	1,505
Other Benefits										
Medicare	1.45%	131,274	154,277	23,003	162,998	31,724	171,146	8,148	179,701	8,555
Retiree Medical ⁽⁴⁾	6.04%	546,825	552,293	5,468	570,065	23,240	598,568	28,503	628,497	29,928
Overtime										
Straight OT		1,407,608	1,421,684	14,076	1,467,431	59,823	1,540,803	73,372	1,617,843	77,040
Forced OT		986,348	996,212	9,863	1,028,268	41,920	1,079,681	51,413	1,133,665	53,984
Strick Team Recovery		(279,432)	(282,226)	(2,794)	(291,308)	(11,876)	(305,873)	(14,565)	(321,167)	(15,294)
FLSA		1,063,397	1,074,031	10,634	1,108,591	45,194	1,164,021	55,430	1,222,222	58,201
PFF		191,206	193,118	1,912	199,332	8,126	209,298	9,967	219,763	10,465
Excess Accrual Payoff / Cash outs ⁽⁵⁾		55,134	55,685	\$ 551	57,477	2,343	60,351	2,874	63,369	3,018
Deferred Comp - for PEPRA City contribution of 1.25%		12,000	12,120	\$ 120	12,510	510	13,136	626	13,792	657
Vacation Cap Increase (assumes FTE)										0
Total	\$ 26,740,859	\$ 27,005,554	\$ 191,629	\$ 28,058,242	\$ 1,317,383	\$ 29,225,274	\$ 1,167,032	\$ 30,259,108	\$ 1,033,834	
Total Annual Incremental Cost			\$ 264,694		\$ 1,317,383		\$ 1,167,032		\$ 1,033,834	
Annual % Increase	\$ 191,629		1.0%	\$ 191,629	4.9%		4.2%		3.5%	
1% Pick Up	\$ 100,717		\$ 100,717							
Cumulative Impact				\$ 1,317,383		\$ 2,484,414		\$ 3,518,249	\$ 0	

Council Member Acknowledgement:

John Stephens, Mayor

Andrea Marr, Council Member- District 3

Don Harper, Council Member - District 1

Loren Gameros, Council Member - District 2

Manuel Chavez, Council Member - District 4

Arlis Reynolds, Council Member - District 5

Jeffrey Harlan, Mayor Pro Tem - District 6



Transparency in Labor Negotiations (TIN) Analysis Certification

City of Costa Mesa Policy 300-8 Section 2 of Practices and Procedures states:

Section 2 Economic Analysis

- a. The Finance Director shall prepare an economic analysis on the fiscal impacts of each term and condition of employment made available to the members of all recognized employee organizations. The economic analysis must be verified by an independent auditor.
- b. The economic analysis shall be updated with each proposal and counterproposal presented throughout the negotiation process and posted on the website along with all proposals and counter proposals.
- c. The economic analysis shall be prepared in the format shown on Attachment A and shall include written council member acknowledgement that the analysis has been reviewed by the council member.

Certification:

In accordance with this section, Lance, Soll & Lunghard, LLP, an independent auditor, has reviewed the **Costa Mesa Firefighters Association and City of Costa Mesa proposal #1 dated December 4, 2023** and the related study of supplemental data prepared by the City and believe that they accurately reflect the fiscal impacts.

Bryan Gruber, CPA
Partner, Lance, Soll & Lunghard, LLP

A handwritten signature in blue ink, appearing to read "BGruber", is written over a horizontal line.