

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

Cost of Costa Mesa Fire Association (CMFA) Contract

Based on Fiscal Year 2023-24 Projected Costs

Base Analysis 2023-24 and CMFA Counter 1 Dated December 12, 2023

CONFIDENTIAL

	Value of Pay/ Benefit	CMFA Baseline Analysis FY 23-24 Cost to City <sup>(1)</sup>	Value of 1% FY 23-24 Cost to City	1.00% Diff	4.25% FY 24-25 Cost to City	\$ Diff YOY	3.50% FY 25-26 Cost to City	\$ Diff YOY	3.50% FY 26-27 Cost to City	\$ Diff YOY
<b>City's Proposal #1 to CMFA December 15, 2023</b>										
<b>Base Salary</b>										
Incremental cost on Base Salary only		\$ 9,053,391	\$9,143,825 \$90,534	\$90,534	\$384,769	\$384,769	\$9,768,496 \$330,336	\$330,336	\$10,110,393 \$341,897	\$341,897
<b>Pension / Retirement Benefits</b>										
UAL <sup>(2)</sup>										
F1 PERS - Tier 1 - Classic	3.0% @ 50	7,306,482	7,379,547	-	7,306,482	-	7,306,482	-	7,306,482	-
F2 PERS-Tier 2 - Classic	2.0% @ 50	2,108,908	2,621,573	25,956	2,198,537	89,629	2,275,465	76,949	2,355,127	79,642
F3- PEPPA	2.7% @ 57	21,269	Included Above		22,173	904	22,949	776	23,752	803
Employee Contribution Reduction		465,440	Included Above		485,222	19,781	502,204	16,983	519,782	17,577
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	159,025	5,378	164,591	5,566
Bilingual Pay-BLX	2.5%	23,581	23,817	236	24,584	1,002	25,444	850	26,335	891
Certificate Program	Varies	524,262	529,505	5,243	546,544	22,281	565,673	19,129	585,471	19,799
Additional Certifications Request					255,254	255,254	264,188	8,934	273,435	9,247
Fire Administration Assignment - AAF	10.0%	26,719	26,986	267	27,854	1,135	28,829	975	29,838	1,009
Paramedic Pay- First Assigned	10.0%	39,622	40,018	396	41,306	1,684	42,752	1,446	44,248	1,496
Paramedic Pay- 1st Recertification	11.25%	92,900	93,829	929	96,849	3,948	100,238	3,390	103,747	3,508
Paramedic Pay- 2nd Recertification	12.50%	52,857	53,386	529	55,104	2,246	57,033	1,929	59,029	1,996
Paramedic Pay- 3rd Recertification	13.75%	171,920	173,639	1,719	179,227	7,307	185,500	6,273	191,992	6,492
Longevity Pay	Frozen			-	-	-	-	-	-	-
Holiday Allowance - hours per year	134.4 hrs	380,779	380,779	-	396,962	16,183	410,856	13,894	425,236	14,380
Tuition Reimbursement- annually	\$1,500.00	2,700	2,700	27	2,700	-	2,700	-	2,700	-
Uniform Pay	\$	442.00	22,321	221	23,039	939	23,846	806	24,680	835
Recruitment and Retention Pay	Varies	126,517	127,782	1,265	131,894	5,377	136,510	4,616	141,288	4,778
Recruitment and Retention: 7.5% at 20 Yrs of Svc: 7/1/24	7.50%				268,998	268,998	278,413	9,415	288,158	9,744
Recruitment and Retention: 5% at 15 Yrs of Svc: 7/1/25	5.00%						232,564	232,564	240,704	8,140
Recruitment and Retention: 2.5% at 10 Yrs of Svc - prorated to Jan. 1/1/26	2.50%								41,015	41,015
Fire Administrative Assignment - specialty pay - pending OT and FLSA Impacts	10%				28,675	28,675	29,679	1,004	30,718	1,039
<b>Other Benefits</b>										
Medicare	1.45%	131,274	154,277	23,003	162,998	31,724	168,701	5,704	174,605	5,903
Retiree Medical <sup>(3)</sup>	6.04%	546,825	552,293	5,468	570,065	23,240	590,017	19,952	610,668	20,651
Overtime <sup>(4)</sup>										
Straight OT		1,407,608	1,421,684	14,076	1,467,431	59,823	1,518,791	51,360	1,571,949	53,158
Forced OT		986,348	996,212	9,863	1,028,268	41,920	1,064,257	35,989	1,101,506	37,249
Strick Team Recovery		(279,432)	(282,226)	(2,794)	(291,308)	(11,876)	(301,504)	(10,196)	(312,056)	(10,553)
FLSA		1,063,397	1,074,031	10,634	1,108,591	45,194	1,147,392	38,801	1,187,551	40,159
PFF		191,206	193,118	1,912	199,332	8,126	206,308	6,977	213,529	7,221
Excess Accrual Payoff / Cash outs <sup>(5)</sup>		55,134	55,685	\$ 551	57,477	2,343	59,489	2,012	61,571	2,082
Deferred Comp - for PEPPA City contribution of 1.25%		12,000	12,120	\$ 120	12,510	510	12,948	438	13,401	453
Vacation Cap Increase (assumes FTE)										0
<b>Total</b>		<b>\$ 26,740,859</b>	<b>\$ 27,005,554</b>	<b>\$ 191,629.36</b>	<b>\$ 28,058,242</b>	<b>\$ 1,317,383</b>	<b>\$ 28,944,934</b>	<b>\$ 886,691</b>	<b>\$ 29,671,110</b>	<b>\$ 726,177</b>
<b>Total Annual Incremental Cost</b>			<b>\$ 264,694</b>		<b>\$ 1,317,383</b>		<b>\$ 886,691</b>		<b>\$ 726,177</b>	
<b>Cumulative Impact</b>					<b>\$ 1,317,383</b>		<b>\$ 2,204,074</b>		<b>\$ 2,930,251</b>	<b>\$ 0</b>

Notes

<sup>(1)</sup> Cost of Contract per item based on FY 2023-24 Adopted Budget and in some cases, prior year actuals'

<sup>(2)</sup> Amounts from PERS Valuation for Fire Safety Employees dated July 2022

<sup>(3)</sup> Overtime is not explicit in the contract, however is estimated based on the amount spent in prior years

<sup>(4)</sup> Rate per employee is not explicit in the contract, however is calculated based on projected employer contributions calculated by Nyhart, an independent actuary with assumptions listed in the report that includes both explicit and implicit rate subsidy

<sup>(5)</sup> Excess Accrual Payoff / Cash Out is not explicit in the contract, however is estimated based on the amount spent in prior years

Council Member Acknowledgement

John Stephens, Mayor

Jeffrey Farlan, Mayor Pro Tem - District 6

Don Harper, Council Member - District 1

Loree Gameros, Council Member - District 2

Andrea May, Council Member - District 3

Manuel Chavez, Council Member - District 4

Arlis Reynolds, Council Member - District 5



## 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 City counter to proposal #1 dated December 15, 2023** and the related study of supplemental data prepared by the City and believe that they accurately reflect the fiscal impacts.

Bryan Gruber, CPA  
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