

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

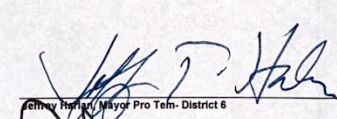
Base Analysis 2023-24 and CMFA Counter 1 to City Proposal #1 Dated December 16, 2023	Value of Pay/ Benefit	CMFA	100%	5.00%	3.75%	3.75%				
		Baseline Analysis FY 23-24 Cost to City <sup>(1)</sup>	Value of 1% FY 23-24 Cost to City	\$ Diff	FY 24-25 Cost to City	\$ Diff YOY	FY 25-26 Cost to City	\$ Diff YOY	FY 26-27 Cost to City YOY	
<b>Base Salary</b>		\$ 9,063,391	\$9,143,925	\$90,534	\$9,806,060	\$452,670	\$9,862,538	\$356,477	\$10,232,383	\$369,845
<i>Incremental cost on Base Salary only</i>			\$90,534		\$452,670		\$356,477		\$369,845	
<b>Pension / Retirement Benefits</b>										
UAL <sup>(2)</sup>		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	2,214,353	105,445	2,297,392	83,038	2,383,544	86,152
F2 PERS - Tier 2 - Classic	2.0% @ 50	21,269	Included Above		22,332	1,063	23,170	837	24,038	869
F3 - PEPPA	2.7% @ 57	465,440	Included Above		488,712	23,272	507,039	18,327	526,053	19,014
Employee Contribution Increase of 1.25% (Cost Sharing) Assuming 64% are classic					(84,602)	(84,602)	(87,774)	(3,173)	(91,066)	(3,292)
<b>Cafeteria - Health Benefits</b>		\$25,428 per year	2,059,668	-	2,059,668	-	2,059,668	-	2,059,668	-
Bilingual Pay-BLF	5.0%	147,384	148,858	1,474	154,753	7,369	160,556	5,803	166,577	6,021
Bilingual Pay-BLX	2.5%	23,581	23,817	236	24,760	1,179	25,689	929	26,652	963
Certificate Program	Varies	524,262	529,505	5,243	555,980	31,718	576,830	20,849	598,461	21,631
Additional Certifications Request					259,661	259,661	269,399	9,737	279,501	10,102
Education Pay- BSBA Degree 2.5% of Top Step Captain - Assuming 40 of 80 CMFA 28 current	2.5%				144,409	144,409	149,824	5,415	155,442	5,618
Fire Administration Assignment - AAF	10.0%	39,622	40,018	396	41,663	1,981	43,163	1,500	44,782	1,619
Paramedic Pay- First Assigned	10.0%	26,719	26,986	267	28,055	1,336	29,107	1,052	30,198	1,092
Paramedic Pay- 1st Recertification	11.25%	92,900	93,829	929	97,545	4,645	101,203	3,658	104,998	3,795
Paramedic Pay- 2nd Recertification	12.50%	52,857	53,386	529	55,500	2,643	57,582	2,081	59,741	2,159
Paramedic Pay- 3rd Recertification	13.75%	171,920	173,639	1,719	180,516	8,596	187,285	6,769	194,309	7,023
Longevity Pay	Frozen				-	-	-	-	-	-
Holiday Allowance - hours per year	134.4 hrs	380,779	380,779	-	396,818	19,039	414,811	14,993	430,366	15,555
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	23,205	1,105	24,075	870	24,979	903
Recruitment and Retention Pay	Varies	126,517	127,762	1,265	132,843	6,326	137,824	4,982	142,993	5,168
Recruitment and Retention: 7.5% at 20 Yrs of Svc: 7/1/24	7.50%				270,934	270,934	281,094	10,160	291,635	10,541
Recruitment and Retention: 5% at 15 Yrs of Svc: 7/1/24	5.00%				-	-	232,564	232,564	241,285	8,721
Recruitment and Retention: 2.5% at 10 Yrs of Svc - prorated to Jan. 1/1/25	2.50%				-	-	-	-	41,015	41,015
Fire Administrative Assignment - specialty pay - pending OT and FLSA Impacts	10%				28,882	28,882	29,965	1,083	31,088	1,124
<b>Other Benefits</b>										
Medicare	1.45%	131,274	154,277	23,003	166,381	35,107	172,619	6,238	179,091	6,472
Retiree Medical <sup>(4)</sup>	6.04%	546,825	552,293	5,468	574,186	27,341	595,697	21,531	618,036	22,339
Overtime <sup>(5)</sup>					-	-	-	-	-	-
Straight OT		1,407,608	1,421,684	14,076	1,477,988	70,380	1,533,413	55,425	1,590,916	57,503
Forced OT		986,348	996,212	9,863	1,035,665	49,317	1,074,503	38,837	1,114,797	40,294
Strick Team Recovery		(279,432)	(282,226)	(2,794)	(293,404)	(13,972)	(304,406)	(11,003)	(315,821)	(11,415)
FLSA		1,063,397	1,074,031	10,634	1,116,567	53,170	1,158,438	41,871	1,201,879	43,441
PPP		191,206	193,116	1,912	200,766	9,560	208,295	7,529	216,106	7,811
Excess Accrual Payoff / Cash outs <sup>(6)</sup>		55,134	55,685	\$ 551	57,891	2,757	60,062	2,171	62,314	2,252
Deferred Comp - for PEPPA City contribution of 1.25%		12,000	12,120	\$ 120	12,600	600	13,073	473	13,563	490
Vacation Cap Increase (assumes FTE)										0
<b>Total</b>		<b>\$ 26,740,859</b>	<b>\$ 27,005,554</b>	<b>\$ 191,629</b>	<b>\$ 28,262,791</b>	<b>\$ 1,521,932</b>	<b>\$ 29,203,877</b>	<b>\$ 941,085</b>	<b>\$ 29,988,704</b>	<b>\$ 784,827</b>
<b>Total Annual Incremental Cost</b>			<b>\$ 264,694</b>		<b>\$ 1,521,932</b>		<b>\$ 941,085</b>		<b>\$ 784,827</b>	
<b>Cumulative Impact</b>					<b>\$ 1,521,932</b>		<b>\$ 2,463,017</b>		<b>\$ 3,247,844</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 Acknowledgment

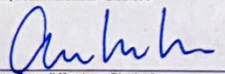


John Stephens, Mayor

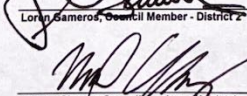


Jeffrey Harter, Mayor Pro Tem- District 6

Don Harper, Council Member - District 1

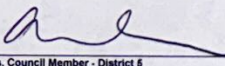


Don Harper, Council Member - District 1




Lorin Cameros, Council Member - District 2

Andrea Marr, Council Member - District 3



Andrea Marr, Council Member - District 3



Manuel Chavez, Council Member - District 4

Arts 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 Counter Offer #1 to the City of Costa Mesa 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  
Partner, Lance, Soll & Lunghard, LLP

A handwritten signature in blue ink, appearing to read 'BGruber', is positioned above a horizontal line that serves as a signature line.