

Fiscal Impact Analysis for Compliance with City Council Policy 300-8 - Transparency in Labor Negotiations  
 Cost of Costa Mesa Fire Association (CMFMA) Contract  
 Based on Fiscal Year 2023-24 Projected Costs  
 Base Analysis 2023-24 and CMFMA Dated March 14, 2024

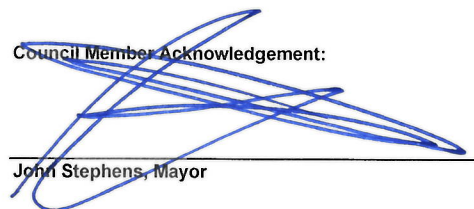
|  |                             | CMFMA  | 1.00%                                   |                  |
|--|-----------------------------|--|---|------------------|
|  | Value of<br>Pay/<br>Benefit | Baseline Analysis<br>FY 23-24<br>Cost to City <sup>(1)</sup> | Value of 1%<br>FY 23-24<br>Cost to City | \$<br>Diff       |
| <b>Base Salary</b>                               |                             | <b>\$ 527,017</b>  | <b>\$532,287</b>                        | <b>\$5,270</b>   |
| <i>Incremental cost on Base Salary only</i>      |                             |  | <i>\$5,270</i>                          |                  |
| <b>Pension / Retirement Benefits</b>             |                             |  |   |                  |
| UAL  |                             | 254,946  | 257,495                                 | 2,549            |
| SWFMA1 - Classic                                 | 3.0% @ 50                   | 172,122  | 173,844                                 | 1,721            |
| Employee Contribution Reduction                  |                             |  |   |                  |
|  | \$31,800/6 mths.            |  |   |                  |
|  | \$39,300/6 moths.           |  |   |                  |
| Cafeteria - Health                               | per year                    | 106,650  | 106,650                                 | -                |
| Benefits   |                             |  |   |                  |
| Bilingual Pay-BLF                                | 5.0%                        |  | -                                       | -                |
| Bilingual Pay- BLX                               | 2.5%                        |  | -                                       | -                |
| Certificate Program 7.5% cap- per MOU            | 7.5%                        | 37,330   | 37,704                                  | 373              |
| Fire Administration Assignment - AAF             | 5.0%                        | -  | -                                       | -                |
| Longevity Pay                                    | Frozen                      |  |   | -                |
| Holiday Allowance - hours per year               | 134.4 hrs                   | 23,381   | 23,615                                  | 234              |
| Tuition Reimbursement- annually per MOU          | 1,250                       | 3,750  | 3,750                                   | -                |
| Uniform Pay                                      | 442                         | 1,326  | 1,326                                   | -                |
| Executive Professional Development               | 1,000                       | 3,000  | 3,000                                   |                  |
| Technology Allowance                             | 900                         | 2,700  | 2,700                                   |                  |
| Recruitment and Retention Pay                    | Varies                      | 54,255   | 54,798                                  | 543              |
| Other Benefits                                   |                             |  |   |                  |
| Medicare   | 1.45%                       | 7,642  | 7,718                                   | 76               |
| Retiree Medical <sup>(4)</sup>                   | 6.04%                       | 31,832   | 32,150                                  | 318              |
| Overtime   |                             |  |   |                  |
| Strike Team Recovery                             |                             |  |   |                  |
| Straight OT                                      | 13,049                      | 13,179   | 13,311                                  | 132              |
| Forced OT (@1.5)                                 | 118,042                     | 119,222  | 120,414                                 | 1,192            |
| BC OT Premium (FLSA)                             | 21,862                      | 22,080   | 22,301                                  | 221              |
| Excess Accrual Payoff / Cash outs <sup>(5)</sup> |                             |  |   |                  |
| Deferred Comp - City contribution of 1/2%        |                             | 2,635  | 2,661                                   | 26               |
| Vacation Cap Increase (assumes FTE)              |                             |  |   |                  |
| <b>Total</b>                                     |                             | <b>\$ 1,383,068</b>  | <b>\$ 1,395,724</b>                     | <b>\$ 12,656</b> |
| Total Annual Incremental Cost                    |                             |  | \$ 12,656                               |                  |
| Annual % Increase                                |                             |  |   | \$ 12,656        |
| 1% Pick Up                                       |                             |  |   | 5,420            |

|                           |  |   |
|---------------------------|--|---|
| Total Number of Employees |  |   |
|                           | CMFMA Employees                                | 3 |
|                           | Confidential Employees                         | 0 |
|                           | Part-time Employees (in full-time equivalents) | 0 |

Notes:

- (1) Cost of Contract per item based on FY 2023-24 Adopted Budget and in some cases, prior year actual expenses.
- (2) Amounts from CalPERS Actuarial Valuation Report for Fire Safety Employees dated July 2023.
- (3) Overtime is not explicit in the contract, however, amounts are estimated based on the actual amount spent in prior years.
- (4) 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 the explicit and implicit rate subsidy.
- (5) Strike team overtime is triggered by mutual aide assistance and fully reimbursed; therefore the expenses are not included.

Council Member Acknowledgement:




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John Stephens, Mayor


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Don Harper, Council Member - District 1



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Andrea Marr, Council Member - District 3




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Arlis Reynolds, Council Member - District 5



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Jeffrey Harlan, Mayor Pro Tem- District 6



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Loren Gameros, Council Member - District 2



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Manuel Chavez, Councilmember - District 4



## 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 Management Association baseline analysis and value of 1%** 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 above a horizontal line.