

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
Proposal Dated April 19, 2024

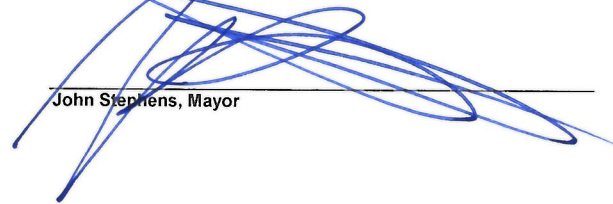
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	Value of Pay/ Benefit	CMFMA Baseline Analysis FY 23-24 Cost to City ⁽¹⁾	Value of 1% FY 23-24 Cost to City	1.00% \$ Diff	5.00% FY 24-25 Cost to City	\$ Diff YOY	3.75% FY 25-26 Cost to City	\$ Diff YOY	3.75% FY 26-27 Cost to City	\$ Diff YOY
Base Salary		\$ 527,017	\$532,287	\$5,270	\$553,367	\$26,351	\$574,119	\$20,751	\$595,648	\$21,529
<i>Incremental cost on Base Salary only</i>			\$5,270		\$26,351		\$20,751		\$21,529	
Pension / Retirement Benefits										
UAL										
SWFMA1 - Classic	3.0% @ 50	254,946	257,495	2,549	267,693	12,747	277,732	10,038	288,147	10,415
Employee Contribution Reduction 1.25%	1.25%	172,122	173,844	1,721	180,729	8,606	187,506	6,777	194,537	7,031
					(8,845)	(8,845)	(9,177)	(332)	(9,521)	(344)
Cafeteria - Health	\$31,800/6 mos. \$39,300/6 mos. per year	106,650	106,650	-	117,900	11,250	117,900	-	117,900	-
Benefits										
Bilingual Pay-BLF	5.0%	-	-	-	-	-	-	-	-	-
Bilingual Pay- BLX	2.5%	-	-	-	-	-	-	-	-	-
Certificate Program is Capped at 7.5%	7.5%	-	-	-	-	-	-	-	-	-
Education Pay- New Request 2.5% @ top step base salary	2.5%	37,330	37,704	373	41,503	4,172	43,059	1,556	44,674	1,615
Fire Administration Assignment - AAF	5.0%	-	-	-	17,887	17,887	18,558	671	19,254	696
Longevity Pay	Frozen	-	-	-	11,925	11,925	12,372	447	12,836	464
Holiday Allowance - hours per year	134.4 hrs	23,381	23,615	234	24,550	1,169	25,471	921	26,426	955
Tuition Reimbursement- annually per MOU	1,250	3,750	3,750	-	3,750	-	3,891	141	4,037	146
Uniform Pay	442	1,326	1,326	-	1,392	66	1,445	52	1,499	54
Executive Professional Development	1,000	3,000	3,000	-	3,000	-	3,000	-	3,000	-
Technology Allowance	900	2,700	2,700	-	2,700	-	2,700	-	2,700	-
Recruitment and Retention Pay 10%	10.0%	54,255	54,798	543	56,968	2,713	59,104	2,136	61,320	2,216
Other Benefits										
Medicare	1.45%	7,642	7,718	76	9,488	1,847	9,844	356	10,213	369
Retiree Medical ⁽⁴⁾	6.04%	31,832	32,150	318	33,423	1,592	34,677	1,253	35,977	1,300
Overtime										
Strike Team Overtime ⁽⁵⁾										
Straight Overtime										
Forced Overtime @ time and a half (1.5)		13,049	13,179	130	13,701	652	14,215	514	14,748	533
BC Overtime Premium (base+certification maximum of 7.5%)		118,042	119,222	1,180	123,944	5,902	128,592	4,648	133,414	4,822
14-Day Work Schedule Request		21,862	22,080	219	22,955	1,093	23,816	861	24,709	893
					22,537	22,537	23,664	1,127	24,551	887
Deferred Compensation - City contribution of: 1/2%		2,635	2,661	26	2,767	132	2,871	104	2,978	108
Total		\$ 1,381,538	\$ 1,394,179	\$ 12,641	\$ 1,503,335	\$ 121,796	\$ 1,555,356	\$ 52,021	\$ 1,609,047	\$ 53,691
Total Annual Incremental Cost			12,641	\$ 12,641	\$ 121,796	\$ 52,021	\$ 53,691			
Annual % Increase				\$ 12,641	8.8%	3.5%	3.5%			
1% Pick Up				5,420						
Total contract cost										
Cumulative Impact				\$	121,796	\$	173,818	\$	227,509	\$ 227,509

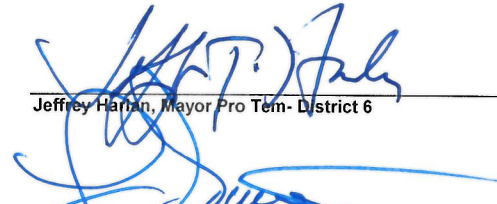
Notes:

- (1) Cost of Contract per item based on FY 2023-24 Adopted Budget and in some cases, prior year actual expenses. \$ (15)
- (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:



John Stephens, Mayor



Jeffrey Harlan, Mayor Pro Tem - District 6

Don Harper, Council Member - District 1



Loren Gameros, Council Member - District 2



Andrea Marr, Council Member - District 3



Manuel Chavez, Councilmember - 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 Management Association Proposal #1 dated April 19, 2024 to the City of Costa Mesa** 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.