

Attachment 12

CMCEA to City Proposal #2

CMCEA

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Fiscal Impact Analysis for Compliance with City Council Policy 300-8 - Transparency in Labor Negotiations
Cost of Costa Mesa CMCEA Contract
Based on Fiscal Year 2025-26 Projected Costs
CMCEA to City Proposal #2

Total Number of Employees

CMCEA Employees	296		
Vacant	25	271	Active Employees as of May 9, 2025
	9%	1,750	
		474,250	
CMCEA Employees FY 2022	261		
Added positions	35		


Notes:

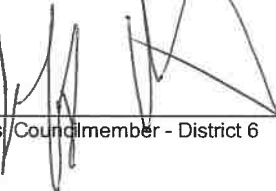
- (1) Cost of Contract per item based on FY 2025-26 Labor projection Proposed Budget and in some cases, prior year actuals'
- (2) Amounts from PERS Valuation for Miscellaneous Plan Employees letter dated July 2023.
- (3) Overtime is not explicit in the contract, however is estimated based on the amount spent in prior years
- (4) Rate per employee is not explicit in the contract, however is calculated based on projected employer contributions calculated by OPEB actuarial, an independent actuary with assumptions listed in the report that includes both explicit and implicit rate subsidy.
- (5) Excess Accrual Payoff / Cash Out is not explicit in the contract, however is estimated based on the amount spent in prior years
- (6) Assumes current active full time equivalent employees


Council Member Acknowledgement:



John Stephens, Mayor


Mike Buley, Council Member - District 1


Andrea Marr, Council Member - District 3


Jeff Pettis, Councilmember - District 6


Manuel Chavez, Mayor Pro Tem- District 4


Loren Gameros, Council Member - District 2


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, LSL, LLP, an independent auditor, has reviewed the Costa Mesa City Employee Association Proposal #2 dated May 14, 2025 and the related study of supplemental data prepared by the City and believe that they accurately reflect the fiscal impacts.

Bryan Gruber, CPA
Partner, LSL, LLP

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**Cost of Costa Mesa CMCEA-CON Contract
Based on Fiscal Year 2025-26 Projected Costs
CMCEA-CONF to City Proposal 2**

CMCEA-CON

Base Analysis 2025-26 Value of 1% CMCEA-CON		CMCEA-CON	1%		2.00%	2.00%	2.00%	Total		
Value of Pay/ Benefit	Baseline Analysis FY25/26 Cost to City ⁽¹⁾	Value of 1% FY 23-24 Cost to City	\$ Diff	July 1, 2025: 2% FY 25-26 Cost to City	Jan 1, 2026: 2% FY 25-26 Cost to City	April 1, 2026: 1% FY 25-26 Cost to City	Pro-Rated FY 25/26 Fiscal Impact	Year 2 Full Annual Est Impact	Existing Unfunded Liability	
Base Salary	4,110,693	4,151,800	#####	4,192,907	4,276,765	4,362,300	145,527	251,607		
Incremental cost on Base Salary only										
Pension / Retirement Benefits										
UAL									797,751	
PERS1T Misc. 2.5 @ 55	73,736	74,473	737	75,211	76,715	78,249	2,610	4,513		
PERS2T Misc. 2 @ 60	39,804	40,202	398	40,601	41,413	42,241	1,409	2,436		
PERS3T Misc. 2 @ 62	305,315	308,368	3,053	311,421	317,649	324,002	10,809	18,688		
Employee Contribution Reduction										
Cafeteria - Health- month per FTE: \$50 Jan '26 e	\$19,800	673,200	673,200	673,200	673,200	673,200	13,600	61,200		
Benefits										
BLY- Bilingual Pay- CMCEA-2.5%	2.5%	1,935	1,954	19	1,974	2,013	69	118		
BLG - Bilingual Pay- CMCEA - 5%	5.0%	10,150	10,251	101	10,353	10,560	359	621		
Shorthand Pay	2.5%									
Holiday Allowance										
Class A/B License- per year	700									
Shift Differential Pay	10%									
Shift Differential Pay	7.5%									
Shift Differential Pay	5.0%									
Shift Assignment Pay										
Standby Pay	2.5%									
Additional Standby Pay Hours										
Emergency Medical Dispatch Pay	5.0%									
Tuition Reimbursement-per FY per MOU	\$ 1,250	42,500	42,500	42,500	42,500	42,500				
Uniform Pay- UNP \$7.56 per pp										
Deferred Comp - (0.5% City contribution)	0.5%	21,266	21,479	213	21,691	22,125	753	1,302		
Other Benefits										
Medicare	1.45%	60,252	60,854	603	61,457	62,686	63,940	2,133	3,688	
Retiree Medical ⁽⁴⁾	6.04%	248,286	248,286		248,286	248,286				
Overtime (assumes X hrs)		291,864	294,783	2,919	297,702	303,656	309,729	10,333	17,864	
One-Time Employee Appreciation per active FTE (6)							112,000			
Excess Accrual Payoff / Cash outs (5)										
Vacation Cap Increase (assumes FTE)										
Total	5,879,000	5,928,150	49,150	5,977,301	6,077,567	6,179,839	299,601	362,038		
Total Annual Incremental Cost		49,150		5,977,301				174,437		
Annual % Increase			49,150							
1% Pick Up			41,228							

Cumulative Impact

Fiscal Impact Analysis for Compliance with City Council Policy 300-8 - Transparency in Labor Negotiations
Cost of Costa Mesa CMCEA-CON Contract
Based on Fiscal Year 2025-26 Projected Costs
CMCEA-CONF to City Proposal 2

CONFIDENTIAL

Total Number of Employees			
CMCEA- Confidential Employees	34	32	Active
Vacant	2		

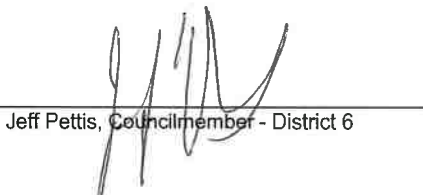
- Notes:
- (1) Cost of Contract per item based on FY 2023-24 Adopted Budget and in some cases, prior year actuals
 - (2) Amounts from PERS Valuation for Fire Safftey Employees dated July 2022.
 - (3) Overtime is not explicit in the contract, however is estimated based on the amount spent in prior years
 - (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 explicit and implicit rate subsidy.
 - (5) 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


Mike Buley, Council Member - District 1


Andrea Marr, Council Member - District 3


Jeff Pettis, Councilmember - District 6


Manuel Chavez, Mayor Pro Tem- District 4


Loren Gameros, Council Member - District 2


Arlis Reynolds, Council Member - District 5



Transparency in Labor Negotiations (TIN) Analysis Certification

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- 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, LSL, LLP, an independent auditor, has reviewed the City of Costa Mesa's response to Costa Mesa Police Management Association Proposal #2 dated May 20, 2025 and the related study of supplemental data prepared by the City and believe that they accurately reflect the fiscal impacts.

Bryan Gruber, CPA
Partner, LSL, LLP

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Cost of Costa Mesa CMPA Contract

CONFIDENTIAL

Based on Fiscal Year 2025-26 Projected Costs

101.0%

CITY to CMPA Proposal #2

Dated: May 15, 2025

		CMPA	1%			Annualized		
	Value of	Baseline Analysis	Value of 1%		Existing	City to CMPA	Year 2 (6)	Year 3 (6)
	Pay/	FY25/26	FY 25-26	\$	Unfunded	Proposal 2	Longevity	Longevity
	Benefit	Cost to City ⁽¹⁾	Cost to City	Diff	Liability	Total	2.5% Incr	2.5% Incr
Base Salary		15,710,580	15,867,686	157,106		16,339,003	16,339,003	16,339,003
Incremental cost on Base Salary only				-		-	-	-
Pension / Retirement Benefits				-		-	-	-
				-	146,750,751	-	-	-
S2PERS	Sworn Police FT 2.7 @ 57	2,441,980	2,466,400	24,420		2,539,659	2,539,659	2,539,659
SWPERS	Sworn Police FT 3 @ 50	993,151	1,003,083	9,932		1,032,877	1,032,877	1,032,877
Cafeteria - Health @ \$2,119/month	\$ 25,428	3,356,496	3,356,496	-		3,356,496	3,356,496	3,356,496
Cafeteria - Additional contribution as of July 1, 2025	\$ 300					475,200	475,200	475,200
						-	-	-
Benefits			-	-		-	-	-
BLZ-Bilingual Pay- CMPA/CMPA (2.5% of Senior Police Officer position Top Step)	2.5%	16,649	16,815	166		17,314	17,314	17,314
BLP-Bilingual Pay- (5% of Senior Police Officer position Top Step)	5%	239,738	242,136	2,397		249,328	249,328	249,328
Holiday Allowance	Varies	244,562	247,007	2,446		254,344	254,344	254,344
Tuition Reimbursement-per FY per MOU	\$ 1,250	6,250	6,250	-		6,250	6,250	6,250
Uniform Pay- UNP \$17 per pp \$ 442 (Article 22 Mou)	\$ 442	16,354	16,354	-		16,354	16,354	16,354
Uniform Assignment Pay 2.5%on base salary	2.5%	255,692	258,249	2,557		265,920	265,920	265,920
Canine Assignment Pay 11.31% on base salary	11.3%	28,697	28,984	287		29,845	29,845	29,845
CanineMaint- (\$15 x 1.5 x 7 hrs per pay period)	\$157.50 per pay period	8,190	8,190	-		8,190	8,190	8,190
Motor Assignment Pay 5% of Base	5%	28,152	28,434	282		29,278	29,278	29,278
MotorMaint- Flat 3 hrs @ 1.5 Step 7 of Sr Pol Offr	Flat	26,576	26,576	-		26,576	26,576	26,576
Motor Training Officer Assignment Pay	5%	6,343	6,407	63		6,597	6,597	6,597
POST- PMG 5 % of Base	5%	-	-	-		-	-	-
POST- PAD 10% of Base	10%	1,013,463	1,023,598	10,135		1,054,002	1,054,002	1,054,002
Deferred Comp - City contribution	0.0%	50,555	51,060	506		52,577	52,577	52,577
Recruitment and Retention Pay						-		
10 years or more - currently at 2.5%	5.00%		-	-		85,101	106,272	130,418
15 years or more - currently at 5%	7.50%	68,254	68,936	683		102,913	93,912	89,202
20 Years or more - currently at 7.5%	10.00%	98,645	99,631	986		132,763	133,651	133,416
25 Years or more - currently at 10%	12.50%	128,706	129,993	1,287		170,749	178,862	183,807
Other Benefits				-		-		
Medicare	1.45%	227,803	230,081	2,278		236,916	236,916	236,916
Retiree Medical ⁽⁴⁾	6.04%	948,919	948,919	-		948,919	948,919	948,919
Overtime		3,183,635	3,215,471	31,836		3,310,980	3,310,980	3,310,980
Total		29,099,390	29,346,756	247,366		30,748,151	30,769,322	30,793,468
Total Annual Incremental Cost			247,366			1,648,762	21,171	24,146
Cumulative Impact						1,648,762	1,669,933	1,694,079
Annual % Increase			247,366					
1% Pick Up			178,395					

Cost of Costa Mesa CMA Contract

CONFIDENTIAL

Based on Fiscal Year 2025-26 Projected Costs

101.0%

CITY to CMA Proposal #2

Dated: May 15, 2025

Total Number of Employees

CMA- Employees

132

Notes:

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

(2) Amounts from PERS Valuation for Fire Safety Employees dated July 2022.

(3) Overtime is not explicit in the contract, however is estimated based on the 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 explicit and implicit rate subsidy.

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

(6) Outyears shows incremental estimated increase of longevity as CMA members qualify for this benefit

Council Member Acknowledgement:

John Stephens, Mayor

Manuel Chavez, Mayor Pro Tem- District 4

Mike Buley, Council Member - District 1

Loren Gameros, Council Member - District 2

Andrea Marr, Council Member - District 3

Arlis Reynolds, Council Member - District 5

Jeff Pettis, Council Member - District 6



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Certification:

In accordance with this section, LSL, LLP, an independent auditor, has reviewed the City of Costa Mesa's response to Costa Mesa Police Association Proposal #2 dated May 20, 2025 and the related study of supplemental data prepared by the City and believe that they accurately reflect the fiscal impacts.

Bryan Gruber, CPA
Partner, LSL, LLP

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**Cost of Costa Mesa CMPMA Contract
Based on Fiscal Year 2025-26 Projected Costs
CITY TO CMPMA Proposal #2**

Annual % increase from base

Fiscal Impact Analysis for Compliance with City Council Policy 300-8 - Transparency in Labor Negotiations
Cost of Costa Mesa CMPMA Contract
Based on Fiscal Year 2025-26 Projected Costs
CITY TO CMPMA Proposal #2

Total Number of Employees	
CMPMA- Employees	9

Notes:

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

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

(6) Outyears shows incremental increase of longevity as CMPA members qualify for this benefit

Council Member Acknowledgement:

John Stephens, Mayor

Manuel Chavez, Mayor Pro Tem- District 4

Mike Buley, Council Member - District 1

Loren Gameros, Council Member - District 2

Andrea Marr,Council Member - District 3

Arlis Reynolds, Council Member - District 5

Jeff Pettis, Councilmember - District 6



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