

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



Manuel Chavez, Mayor Pro Tem- District 4



Mike Buley, Council Member - District 1

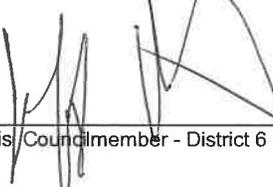


Loren Gameros, Council Member - District 2



Andrea Marr, Council Member - District 3

Arlis Reynolds, Council Member - District 5



Jeff Pettis, Councilmember - District 6



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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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

CONFIDENTIAL

CMCEA-CONF to City Proposal 2

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 Saffety Employees dated July 2022.

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

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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

Council Member Acknowledgement:



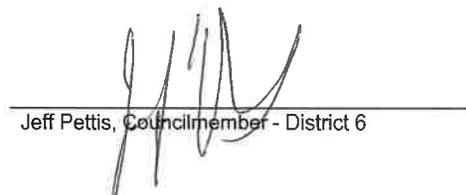
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Andrea Marr, Council Member - District 3



Jeff Pettis, Councilmember - District 6



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- 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 Pay/ Benefit	Baseline Analysis FY25/26 Cost to City ⁽¹⁾	Value of 1% FY 25-26 Cost to City	\$ Diff	Existing Unfunded Liability	City to CMPA Proposal 2 Total	Year 2 (6) Longevity 2.5% Incr	Year 3 (6) Longevity 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		<u>29,099,390</u>	<u>29,346,756</u>	<u>247,366</u>		<u>30,748,151</u>	<u>30,769,322</u>	<u>30,793,468</u>
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 CMPA Contract

CONFIDENTIAL

Based on Fiscal Year 2025-26 Projected Costs

101.0%

CITY to CMPA Proposal #2

Dated: May 15, 2025

Total Number of Employees

CMPA- 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 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, 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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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

Base Analysis 2025-26 Value of 1% CMPMA	Value of Pay/ Benefit	CMPMA		\$ Diff	FY 25/26		
		Baseline Analysis FY25/26 Cost to City ⁽¹⁾	Value of 1% FY25/26 Cost to City		CITY TO CMPMA Proposal 2 Annual	Year 2 (6) Longevity 2.5% Incr	Year 3 (6) Longevity 2.5% Incr
Base Salary		1,779,708	1,797,505	17,797	1,850,896	1,850,896	1,850,896
Incremental cost on Base Salary only					-	-	-
Pension / Retirement Benefits					-	-	-
UAL					-	-	-
SWPERS	Sworn Police FT 3 @ 50	79,890	80,689	799	113,198	113,198	113,198
SWPMA1	Sworn Police FT 3 @ 50	303,281	306,314	3,033	315,412	315,412	315,412
Employee Contribution Reduction					-	-	-
Cafeteria - Health per month	25,428	228,852	228,852	-	228,852	228,852	228,852
Cafeteria - additional contribution July 1, 2025	300				32,400	32,400	32,400
Benefits					-	-	-
BLZ-Bilingual Pay- CMPA/CMPA -2.5%	2.5%	1,935	1,954	19	2,012	2,012	2,012
BLP-Bilingual Pay- CMPA/CMPMA - 5%	5%	10,150	10,251	101	10,556	10,556	10,556
Holiday Allowance	Varies	73,577	74,313	736	-	-	-
Uniform Pay- UNP \$17 per pp \$ 442	442	3,978	3,978	-	3,978	3,978	3,978
Uniform Assignment Pay 2.5% base salary	2.5%	19,017	19,207		19,778	19,778	19,778
POST- PMG 5 % of Base	5%	22,194	22,416		47,318	47,318	47,318
POST- PAD 10% of Base	10%	133,583	134,919		284,799	284,799	284,799
Executive Professional Development	1,000	9,000	-	-	9,000	9,000	9,000
Technology Allowance	900	8,100	-	-	8,100	8,100	8,100
Recruitment and Retention Pay	Varies	158,507	160,092	1,585	211,120	216,398	221,808
Other Benefits					-	-	-
Medicare	1.45%	31,186	31,498		34,461	34,461	34,461
Retiree Medical ⁽⁴⁾	6.04%	107,494	108,569	1,075	111,794	111,794	111,794
Excess Accrual Payoff / Cash outs (5)					-	-	-
Deferred Comp - City contribution	0	-	-	-	-	-	-
Vacation Cap Increase (assumes FTE)					-	-	-
Total		2,970,452	2,980,558	25,145	3,283,673	3,288,951	3,294,361
Total Annual Incremental Cost			10,105		313,221	5,278	5,410
Cumulative Impact						318,499	323,909
Annual % Increase			0.3%	25,145	11%	0.2%	0.2%
1% Pick Up				20,239			

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