

ATTACHMENT B

Estimated Cost of K&M Plan

**City of Newport Beach
K&M Compensation Plan**

	Current	FY 2025/26	FY 2026/27	FY 2027/28
<u>Key Contract Terms</u>				
COLA		5%	4%	3%
Medical Insurance		Increase by \$300/Month, no cash back		
CalPERS Employee Pickup		Reduce EE Contribution to 8%		
Holiday Pays		Christmas Eve & New Years Eve full pay		
Holiday Closure Leave		3 Days		

<u>Summary of Proposal Cost ¹</u>				
Baseline Compensation				
Base Pay	\$16,692,294	\$834,615	\$1,535,691	\$2,082,531
Supplemental Pays	46,501	110,954	116,953	121,633
Overtime	26,890	1,345	2,474	3,355
Pension Contribution	1,283,259	620,686	696,843	756,246
Cafeteria Plan	2,021,286	116,878	116,878	116,878
Other City Paid Benefits ²	1,304,537	46,900	85,031	114,774
Total	\$21,374,767	\$1,731,377	\$2,553,871	\$3,195,416

<u>Cumulative Impact on Employee Compensation</u>				
Base Salary Increase ³		5.00%	9.20%	12.48%
Total Compensation Increase ⁴		8.10%	11.95%	14.95%

<u>Key Contract Terms</u>				
COLA		948,973	1,744,846	2,365,627
Holiday Pays		21,801	22,673	23,353
Holiday Closure Leave		87,203	90,691	93,412
Medical Insurance		116,878	116,878	116,878
CalPERS Employee Pickup		556,523	578,784	596,147
Total		1,731,377	\$2,553,871	\$3,195,416

Notes

- ¹ Costs shown in years two and three reflect the cumulative budget impact in each year as compared to the current budgeted amounts.
- ² Includes Medicare, Compensated Absences, Retiree Health Savings, Life Insurance, EAP.
- ³ Percentage shown in each year is as compared to current base salary, not the prior year.
- ⁴ Measured based on the total of all pay and benefits. Percentage shown in each year is as compared to current total compensation, not the prior year.
- ⁵ The costs shown reflect additional annual expenses for the corresponding fiscal years.