



STAFF REPORT

MEETING DATE: January 10, 2024

PRESENTER: John Jansons, City Manager

SUBJECT: Resolution Approving Side Letter Agreement with Kerman Peace Officers Association

RECOMMENDATION: Council by motion adopt resolution approving Side Letter Agreement with Kerman Peace Officers Association (KPOA) implementing adjustments to KPOA salary scales in response to labor market competitiveness.

DISCUSSION:

In 2020, the City Council approved a three year Memorandum of Understanding (labor bargaining agreement) with the Kerman Peace Officer Association (KPOA) that included a provision, which obligated the City to conduct a labor market competitiveness salary survey for consideration in the third year of the agreement.

Bryce Consulting Inc., with specialized experience in human resources and salary and compensation analytical services, was hired to perform the survey in 2022 for all represented Kerman employees, with Kerman Police Department employees being examined first. Kerman Municipal Employees Association member's compensation is currently under final review.

The comparable 11 cities (the survey pool) selected for examination were cities similar to Kerman and its resources and capacity, within a realistic and reasonable commute range, and were reviewed with, and approved by the KPOA and Kerman Municipal Employees Association (KMEA) because the survey was not limited to only Police Department Employees, but as stated, all represented City employees.

The survey revealed that most positions within the Kerman Police Department (KPD) represented by the KPOA were compensated below the pool average. As a result, the study proposed salary adjustments to bring each comparable position in line with labor market averages.

In consultation with City Council, staff was authorized to propose salary adjustments to the "60th" percentile, or 10 points above median to reflect the appreciation and value of KPOA members to the City and its leadership.

In order to implement the recommend salary adjustments to KPD salaries, a Side Letter Agreement (Attachment B) was negotiated with the KPOA and subsequently ratified by KPOA for City Council consideration and approval. Included with the Side Letter Agreement are the proposed new salary scales for KPD employees as recommended.

FISCAL IMPACT:

The fiscal impact to the City's personnel budget within the General Fund, which primarily funds police services, for the recommended adjustments to KPD salaries is approximately \$238,500 for Fiscal Year 23/24 and approximately \$477,000 for Fiscal Year 24/25.

CONCLUSION:

If adopted, the resolution will be effective immediately and the new salaries will be effective and implemented in the first full payroll period following this approval beginning on January 21, 2024.

ATTACHMENTS:

- A. Resolution
- B. Attachment A to Resolution (Side Letter Agreement between City of Kerman and KPOA)
- C. Exhibit A to Side Letter (Proposed Salary Scales Effective January 21, 2024)

RESOLUTION NO. 24-___

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN APPROVING SIDE
LETTER AGREEMENT WITH THE KERMAN PEACE OFFICERS ASSOCIATION
IMPLEMENTING ADJUSTMENTS TO SALARY SCALES RESULTING FROM
COMPARABLE COMPENSATION MARKET STUDY

WHEREAS, the City of Kerman and the Kerman Peace Officers Association (KPOA) entered into an updated Memorandum of Understanding (MOU) in 2020 covering the period July 1, 2021 to June 30 2024; and

WHEREAS, the MOU stipulated that during the term of the MOU, the City would commission a comparable salary study to determine local labor market competitiveness of the City's compensation levels; and

WHEREAS, in 2023, the City hired Bryce Consulting Inc., a statewide leader in human resource and compensation analytics; and

WHEREAS, the resulting comparable survey revealed that salary adjustments were warranted to address competitiveness for talent; and

WHEREAS, the City values and appreciates KPD employees and maintaining competitive salary and benefits, and

WHEREAS, the City is in positive financial circumstances to absorb the recommended salary increases estimated at approximately \$238,500 for FY 23/24 and \$477,000 for FY 24/25 for employees of KPD, at full staffing which is primarily borne by the General Fund for police services; and

WHEREAS, the KPOA membership ratified the Side Letter Agreement prior to it coming before the City Council for consideration of approval.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. The above recitals are true and correct and incorporated herein by reference.

Section 2. The City Council approves the Side Letter Agreement with KPOA attached as Attachment A and incorporated by reference to implement adjustments to KPD salaries including Exhibit A to the Side Letter (the Salary Schedule).

Section 3. Upon approval, the salary adjustments will become effective January 21, 2024 with the first new, full payroll period following this action.

Section 4. This Resolution is effective upon adoption.

The foregoing resolution was adopted at a regular meeting of the City Council of the City of Kerman held on the 10th day of January 2024 and passed at said meeting by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby approved.

Maria Pacheco
Mayor

ATTEST:

Josie Camacho
Interim City Clerk