MEMORANDUM

TO: VICTOR CARDENAS, CITY MANAGER
DANIELLE MAHONEY, ASSISTANT CITY MANAGER

FROM: TIA GRONLUND-FOX, DIRECTOR OF HUMAN RESOURCES

SUBJECT: POLICE OFFICER NEGOTIATION UPDATE

DATE: APRIL 15, 2025

CONFIDENTIAL

The City and the union have met on two occasions to begin contract negotiations. During these discussions, we received the union's initial proposal, which includes a significantly expanded list of items at a much higher cost than anticipated.

Summary of the Union's Proposal:

- 3-year contract with wage increases of 10%, 5%, and 5%
- Retroactive pay and benefits effective July 1, 2025
- An additional 48 hours of sick leave
- Increase in the City's contribution to the Hybrid retirement plan by 3% (total of 7%)
- Establishment of a DROP (Deferred Retirement Option Plan) for Defined Benefit participants
- Increase night shift differential by 5% (currently $0.50/hour)
- Implement 12.5% Special Assignment Pay for officers serving in specialized roles (FTO, K-9, Drone, etc.)
- Pay time-and-a-half for 4 hours of every 12-hour shift
- Reduce employee healthcare contributions from 15% to 10% in year one
- Increase vacation accrual by 4 hours per year after 20 years of service, capping at 260 hours (currently 232 at 25 years)
- Allow detectives to take holidays off without using leave time and receive 8 hours of holiday pay in November
- Increase cleaning allowance by $150 (to $750 annually)
- Increase shoe/boot allowance by $100 (to $200 annually)
- Provide longevity pay up to 8% of annual salary

The total estimated cost of this proposal is $5.2 million above current costs over the three-year contract term.

City's Initial Proposal:

- 2-year contract with wage increases of 3% each year
- Increase shift differential for those officers who work the midnight shift to $.75 per hour (currently $.50 per hour)
- Decrease employee's contribution toward health care contributions for the HAP self-funded plan to 13% (currently 15%)
- Increase City's contribution to employee's Hybrid retirement plan by 1% for a total contribution of 5%
- Increase employee's contribution to Hybrid retirement plan by 1% for a total of 6%

The above City offer is below the 6% total ceiling cost, as directed by the City Council. There is room for additional negotiation by roughly 3% each year.

The City's bargaining team has responded to the union's proposal and advised them that, given its overall cost and scope, the offer is not reasonable in its current form. The union has been asked to prioritize its key issues and has agreed to do so.

At this time, we are not recommending a counterproposal. The City's position remains unchanged from our initial offer.

We will continue to keep you informed as negotiations progress. The next bargaining session is scheduled for Tuesday, April 22.