



STAFF REPORT

TO: THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: October 8, 2024
FROM: TOM DUBOIS, CITY MANAGER
SUBJECT: RATIFICATION OF POA AGREEMENT

RECOMMENDATION:

Motion to ratify the POA agreement for one year from July 1, 2024 to July 1, 2025

BACKGROUND:

The City has been negotiating with POA over the last seven months. Council has met with the City Manager in Closed session throughout the process and given authority for negotiation specific terms. POA voted to accept the City's Last, Best and Final Offer Friday evening Oct. 4, 2024.

DISCUSSION:

Negotiations involved a range of deal points including a salary increase, retire health care, take home car policy, what time counts toward overtime, discipline policy, and pension costs. Compensation surveys show that the City of Sutter Creek is behind the market significantly but the City does not have the revenue to keep up with comparable cities in the region.

Pension liabilities continue to grow as a percentage of the City budget. Method to manage the rate of that growth were a long topic of discussion that was ultimately not addressed in this negotiation. It is expected to be a primary topic in next year's discussion.

The City is proposing to update its discipline policy as requested by the Police Officers Association. The City is maintaining its policy of no binding arbitration in this agreement. The car take home policy is being codified with details of operation managed by the Chief of Police. Finally a one time retention bonus is included.

BUDGET IMPACT:

Immediate budget impact is an additional \$33,000 in the 2024-2025 budget. These are ongoing costs, not one time, which requires an ongoing annual funding source. Funds for this year will be taken from the general reserve. They must be budgeted in next years budget, impacting other expenses. Pension normal costs will increase each year going forward. Unfunded pension liability costs are difficult to calculate as they are based on actuarial assumptions. Current UAL for Safety is \$200,000 per year. Staff will do further analysis as part of the budgeting process on long term UAL impacts.

ATTACHMENT:

The signed MOU is attached along with proposed changes to discipline language.