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Staff Report for a Resolution Approving the San Leandro Police Officers' Association (SLPOA) Memorandum of Understanding

**SUMMARY AND RECOMMENDATIONS**

Staff recommends that the City Council approve a resolution ratifying the Memorandum of Understanding (MOU) between the City of San Leandro and the San Leandro Police Officers' Association (SLPOA) for the period covering January 1, 2016 through December 31, 2019.

**BACKGROUND**

The San Leandro Police Officers' Association (SLPOA) Memorandum of Understanding (MOU) expired on December 31, 2015. Beginning in August 2015, the City's negotiation team and SLPOA representatives met and conferred in good faith over the terms and conditions of employment for a new MOU. The SLPOA represents 84 employees consisting of police officers and police sergeants.

Over the course of 13 months, both parties worked diligently to negotiate a new MOU but were unable to reach an agreement. The parties then agreed to engage in the mediation and arbitration process. Following the process governed by City Charter Section 450, an individual was selected by both parties who would act as both mediator and arbitrator. Beginning with mediation, the mediator/arbitrator facilitated three sessions, which resulted in a mediator's proposal. The City and Union continued discussions based on the mediator's proposal that ultimately led to a tentative four-year agreement.

**Analysis**

The parties reached a tentative agreement in October 2016. The agreement was ratified by SLPOA membership and is presented to the City Council for approval. On an aggregated basis, it includes an

approximately 5% increase in salary per each year of the contract, which will be off-set by a 1% per year increase in the employee contribution to the employer-share of the CalPERS contribution for classic members, along with various other provisions as outlined below.

The following is a summary of the key provisions from the tentative agreement:

### **Term**

The new agreement with the SLPOA is for a four-year term for the period January 1, 2016 through December 31, 2019.

### **Cost of Living Adjustment**

Cost of Living Adjustment increases will be effective as follows:

- Effective the first full pay period including the date of City Council approval, all sworn personnel will receive a three (3%) percent salary increase.
- Effective July 1, 2017, a three (3%) percent salary increase.
- Effective July 1, 2018, a three (3%) percent salary increase.
- Effective July 1, 2019, a two (2%) percent salary increase.
- Effective October 1, 2019, a two (2%) percent salary increase.

In lieu of retroactive pay, the City will provide a one-time lump sum payment of \$4,000 per sworn employee to account for the pay raise not received from January 1, 2016 through November 30, 2016.

### **Retirement**

In addition to the nine percent (9%) POA employees, who are Classic PERS members, currently pay for the CalPERS contribution, employees have agreed to pay an additional three percent (3%) of the employer's CalPERS contribution by the end of the contract. The employee contribution rate for Classic PERS members will be increased as follows with an offsetting salary increase:

- Effective July 1, 2017, one (1%) percent increase for a total employee contribution of 10%;
  - Offset by one (1%) percent salary increase.
- Effective July 1, 2018, one (1%) percent increase for a total employee contribution of 11%;
  - Offset by one (1%) percent salary increase.
- Effective July 1, 2019, one (1%) percent increase for a total employee contribution of 12%;
  - Offset by one (1%) percent salary increase.

This agreement to share the cost of the employer contribution will require an amendment to the City's contract with CalPERS. Staff will return to the City Council at a later date with a separate resolution to implement the cost share as required by CalPERS. Employees defined as New PERS members, the employee contribution rate will continue to be half of the normal cost as required by the Public Employees' Pension Reform Act (PEPRA).

### **Differentials**

Effective the first full pay period including the date of City Council approval, except as otherwise provided, the following special differentials will increase:

- Field Technician Pay from \$30 to \$40 per day.
- Field Training Officer from \$30 to \$80 per day.
- Bilingual Pay from \$30 per day to \$185 per month (effective 1/1/17).

### **Uniform Allowance**

Effective July 1, 2017, uniform allowance will increase from \$1,300 to \$1,600 per year.

### **Mental Health Crisis Intervention Pay**

Employees will be eligible to receive Mental Health Crisis Intervention pay in recognition of the special hazards associated with responding to mental health related law enforcement situations. Sworn employees must complete a specialized Crisis Intervention Training (CIT) program on the skills, tools, tactics, and strategies that law enforcement officers can employ to safely and effectively de-escalate situations, especially those involving individuals exhibiting mental illness. Upon completion of the CIT program, employees will receive the Mental Health Crisis Intervention pay as follows:

- Effective upon MOU approval, one (1%) percent.
- Effective July 1, 2017, an additional one (1%) percent (2% total).
- Effective July 1, 2018, an additional one (1%) percent (3% total).
- Effective July 1, 2019, an additional one (1%) percent (4% total).

### **Holidays**

Effective January 1, 2017, in lieu of observing the set holiday schedule, employees will receive holiday-in lieu pay equal to 7% of the employee's base salary to be paid per pay period. This proposed change is expected to be cost neutral as compared to current practices.

### **Medical**

Effective the first full pay period including the date of City Council approval, the City's contribution for medical coverage will be increased as follows:

- Employee only                   + \$25
- Employee +1                    + \$50
- Employee +2 or more         + \$75

### **Life Insurance**

Effective January 1, 2017, the City will provide up to \$50,000 in life insurance coverage.

### **Conclusion**

During negotiations, Human Resources staff conducted a total compensation study of police officers and sergeants as compared to neighboring public agencies. The study, which included the cities of

Alameda, Berkeley, Fremont, Hayward, Livermore, Pleasanton, and Union City, revealed San Leandro to be, on average, 5% below the median. In addition to these comparable cities, it was also noted that the City of Oakland recently approved a Police Officers' Association agreement in which represented employees will receive a total 19.5% increase over a four-year agreement. Salary increases are also reflected among other public safety personnel such as Alameda County firefighters, who received a 4.33% increase effective January 1, 2016. As the City of San Leandro competes with other agencies for the same pool of police officer applicants, it is important to ensure that the City is able to continue attracting and recruiting well-qualified, career-oriented employees.

Staff recommends approval of the proposed agreement, which will aid in keeping the City of San Leandro competitive in the current labor market.

### **Previous Action**

On March 18, 2013, by Resolution No. 2013-042, the City Council approved the prior SLPOA MOU for the period January 1, 2013 through December 31, 2015.

### **Fiscal Impacts**

The tentative agreement will on average result in a budgetary impact to the City's General Fund of approximately \$2.5 million per year throughout the four-year life of the MOU.

The financial impact is approximately \$28,800 in FY 2015-16; \$1,246,785 in FY 2016-17; \$2,499,935 in FY 2017-18; \$3,819,935 in FY 2018-19; and \$2,341,480 in FY 2019-20 ending December 31, 2019.

### **ATTACHMENTS**

- San Leandro Police Officers' Association Memorandum of Understanding (MOU)

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