



DATE: November 15, 2022

TO: Mayor and Council

FROM: Assistant City Manager/Interim Director of Human Resources

SUBJECT: Adopt a Resolution Approving a Side Letter of Agreement Amending the Memorandum of Understanding (MOU) between the City of Hayward and the Hayward Police Officers' Association (HPOA) to Revise Scheduled Salary Increases

RECOMMENDATION

That Council adopts a Resolution (Attachment II) approving a Side Letter of Agreement amending the Memorandum of Understanding (MOU) between the City of Hayward and the Hayward Police Officers' Association (HPOA) to revise scheduled salary increases.

SUMMARY

The current MOU between the City of Hayward and HPOA expires on June 30, 2024. Under the terms of the current MOU, HPOA members are scheduled to receive a total of 7.5% in salary increases over the final two years of the contract term, with a 2.5% increase effective July 1, 2022, and an increase of up to 5% effective January 1, 2024, based on the established salary survey formula outlined in the MOU. In approximately July 2022, the City and HPOA engaged in discussions about how to address the current vacancy and recruitment challenges at the Police Department.

BACKGROUND AND DISCUSSION

The Hayward Police Department, like many other municipalities across the United States, has experienced a diminished pool of qualified Police Officer applicants in recent years. With Council's support, the City has taken steps to mitigate these challenges by implementing a Police Officer Hiring Bonus Program and a Hiring Incentive Referral Program for City employees who refer non-City employees to the Hayward Police Department (HPD). Council originally approved these programs as 1-year pilot programs, and when HPD requested to reestablish these programs in March 2022, Council again approved.

Even with these mitigating steps, as of October 2022, out of 154 Police Officer positions in the City of Hayward, there are approximately 36 vacancies, which equates to a vacancy rate of 23%. Although vacancy rates vary throughout the bay area, those municipalities with higher total

compensation packages had lower vacancy rates, such as a 10% vacancy rate at the City of Santa Clara or a 15% vacancy rate at the City of Fremont. Given the ongoing recruitment and retention challenges, the City and HPOA began informal discussions in July 2022 to find other immediate steps to mitigate the challenges and ensure adequate staffing and services for the Hayward community. The high vacancy rates have led to increased mandatory overtime for officers as well as higher stress levels.

The 2022 total compensation salary survey conducted pursuant to the terms of the HPOA MOU, and the updated survey conducted as part of the July 2022 discussions, indicated that HPOA-represented classifications are 14.52% behind the market median. This would mean that by July 1, 2024, HPOA would still be at least 7% behind the market, but likely further behind when considering upcoming salary increases for POA chapters at other local comparator agencies. To help ensure the City remains competitive in the law enforcement labor market, improve morale, and provide adequate services for the community and staffing of HPD, the City and HPOA reached a tentative agreement to provide an additional 9% in salary increases over the remaining term of the contract. If approved, this side letter would amend the MOU to provide an additional salary increase of 5% effective the pay period including July 1, 2022 (for a total salary increase of 7.5%), and an increase of 4% effective the pay period including July 1, 2023. All other provisions of the parties' MOU shall remain unchanged.

FISCAL IMPACT

The fiscal impact of these additional increases for HPOA is an increase of approximately \$4,408,439.72 to the General Fund and \$102,322.49 to the Measure C Fund, for a total fiscal impact of \$4,510,762.21 over FY 2023 and FY 2024. Budget adjustments will be included in the FY 2023 mid-year budget process and the FY 2024 budget process.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to one of the City Council's Strategic Roadmap initiatives.

NEXT STEPS

If approved, salary adjustments will be implemented by the Human Resources Department and Finance Department and will be reflected in the employees' paychecks dated November 23, 2022. Retroactive payments will be processed within the next two months as timelines and workloads of HR and payroll staff allow.

Prepared by: Kakshi Master, Acting Deputy Director of Human Resources

Recommended by: Regina Youngblood, Assistant City Manager/Interim Director of Human Resources

Approved by:

A handwritten signature in black ink, appearing to read 'Kelly McAdoo', with a long horizontal stroke extending to the right.

Kelly McAdoo, City Manager