

SIDE LETTER OF AGREEMENT

BETWEEN

CITY OF HAYWARD

AND

HAYWARD POLICE MANAGEMENT UNIT

Representatives of the City of Hayward and the Hayward Police Management Unit (“HPMU”) have met and conferred in good faith regarding the projected revenue shortfall and budget deficit facing the City of Hayward for FY 2026-2027 and future fiscal years and measures necessary to address these projected General Fund shortfalls. In partnership to stabilize City finances while maintaining essential services, the parties agree to the terms contained in this Side Letter of Agreement (“Agreement”). The Agreement amends specific provisions of the current Memoranda of Understanding between the City and HPMU, through June 30, 2030 (the “HPMU MOU”).

Except where specifically modified below, all other terms of the HPMU MOU remain unchanged. Where conflicts exist between this Agreement and prior side letters or MOU language, this Agreement supersedes them for the duration specified. The terms become effective the first full pay period following City Council approval unless otherwise stated.

1) Effective following City Council adoption of this agreement, Section 6.13 of the HPMU MOU will be amended as follows:

6.13 Salary Adjustments

Bargaining unit salaries shall be increased by eleven and eighty-two hundredths percent (11.82%), effective July 1, 2025.

Bargaining unit salaries effective the pay period including July 1, 2026, through June 30, 2027, shall have no salary increases.

The bargaining unit’s base wage shall be increased the pay period including July 1, 2027, through the last day of the pay period preceding the pay period that includes July 1, 2028, **by four and one half percent (4.5%)** based on the salary survey increase due to HPOA the pay period containing January 1, 2027, and tied to the established HPOA salary survey formula, which shall not be less than five percent (5%) and shall not exceed seven percent (7%).

The bargaining unit’s base wage shall be increased the pay period including July 1, 2028, through the last day of the pay period preceding the pay period that includes July 1, 2029, **by four and one half percent (4.5%)** based on the salary survey increase to HPOA the pay period

~~containing January 1, 2028, and tied to the established HPOA salary survey formula, which shall not be less than five percent (5%) and shall not exceed seven percent (7%).~~

The bargaining unit's base wage shall be increased the pay period including July 1, 2029, through the last day of the pay period preceding the pay period that includes July 1, 2030, based on the salary survey increase due to HPOA the pay period containing January 1, 2029, and tied to the established HPOA salary survey formula, **which shall not be less than two percent (2%) and shall not exceed three percent (3%).**

Salary Survey

The salary survey will determine the difference between the total compensation of a Hayward Police Captain and the average of the total compensation for Police Captain of the top four (4) agencies based on a survey of salary and benefits. The percentage shall be determined by (Total compensation average of top four (4) agencies – Total compensation of Hayward Police Captain) / Total compensation of the Hayward Police Captain, rounded to the nearest one hundredth percent (.01%). Hayward may be included in the top four (4) agencies should its compensation so indicate.

Surveyed agencies shall be: Santa Clara, Vallejo, Palo Alto, Richmond, Fremont, Berkeley, Daly City, San Mateo, Alameda, and San Leandro.

The salary survey shall be completed by May 31 of each year and include all salaries and benefits effective on July 1, of each year respectively, and approved by the agency's board or council. If on October 1 of each year, any of the above agencies reaches a settlement retroactive on or before July 1 of that respective year, thereby changing the average of the top four (4) agencies, a one (1) time adjustment will be made no later than November 1 of that respective year to salaries to reflect that change. Even withstanding the exceptions outlined above, the salary survey itself shall be completed annually regardless of the years where salary adjustments are not linked to it. Unless otherwise negotiated, salary increases resulting from salary surveys shall not exceed five percent (5%).

For purposes of this agreement and any mutually agreed upon successor Memorandum of Understanding, "total compensation" shall mean the top step Captain base monthly salary; employer-paid member CalPERS contributions; total employee-paid voluntary cost sharing of employer CalPERS contributions; holiday pay; uniform allowance; education incentive pay applicable to all Police Captains; continuous service pay applicable to all Police Captains; employee paid contributions towards the City's OPEB liability; employer contributions towards the employee's dental, life, Long Term Disability (LTD), Short Term Disability (STD), and vision care insurance premiums; and the amount the employer pays for premiums for family level health coverage. The amount to be included in the survey for family-level health coverage for the City of Hayward Police Captains shall be the amount of the family premium for the health plan in which the plurality of the HPMU members are enrolled. The amount to be included in the survey for employees' dental, life, LTD/STD, and vision care insurance premiums shall be the maximum amount payable for each benefit by the respective Cities. The amount to be included in the survey for Educational incentive pay, POST certification incentive pay, and Longevity pay shall be the maximum amount allowable for each incentive under each separate salary survey City's MOU.

For Hayward Police Management Unit:

For City of Hayward:

Jennifer Ott, City Manager

Burke Dunphy, Chief Negotiator

Ian Tecson, Director of Human
Resources

Dated _____

Dated _____