



**DATE:** June 16, 2026

**TO:** Mayor and City Council

**FROM:** Director of Human Resources

**SUBJECT:** Fiscal Year 2027 Salary Plan Amendment: Adopt a Resolution Approving the City of Hayward Salary Plan for Fiscal Year 2027 and Approving Retroactive Updates for Fiscal Year 2025 and Fiscal Year 2026

**RECOMMENDATION**

That the City Council adopts a Resolution (Attachment II) superseding Resolution 26-040, approving an amendment to the City of Hayward Salary Plan for Fiscal Year 2027 which designates all classifications and corresponding salary ranges for employment with the City of Hayward effective June 29, 2026, and approving retroactive updates for Fiscal Year 2025 and Fiscal Year 2026.

**SUMMARY**

As required by the Municipal Code, the Fiscal Year 2027 Salary Plan (Attachment V) has been updated to reflect cost-of-living adjustments (COLAs) and contractual increases to classifications in the City’s classified service as a result of the Council-approved Memorandum of Understandings (MOUs) between the City of Hayward and the Hayward Association of Management Employees (HAME); the International Federation of Professional and Technical Engineers, Local 21 (Local 21); the Service Employees International Unit, Local 1021, Maintenance (SEIU Maintenance); and the Hayward Police Officers Association (HPOA). The salary plan has also been updated to reflect salary adjustments for (3) intern classifications.

On June 11, 2026, the Personnel Commission held a public hearing and recommended that the City Council adopt the revised Fiscal Year 2027 Salary Plan effective June 29, 2026, and the retroactive updates for Fiscal Year 2025 and Fiscal Year 2026.

**FISCAL IMPACT**

COLAs: The respective COLAs to SEIU Maintenance, Local 21, and HAME are included in the Fiscal Year 2027 Adopted Operating Budget, therefore there is no additional fiscal impact for Fiscal Year 2027.

*HAME:* The 3% COLA salary adjustment to the HAME enterprise funded classifications are included in the Fiscal Year 2027 Adopted Operating Budget, an increase of \$117,744. There is no additional fiscal impact for the Fiscal Year 2027.

*Local 21:* The 3% COLAs salary adjustment to the Local 21 enterprise funded classifications are included in the Fiscal Year 2027 Adopted Operating Budget, an increase of \$39,237. There is no additional fiscal impact for the Fiscal Year 2027.

*SEIU Maintenance:* The three percent (3%) COLAs salary adjustment are applied to all classifications that are included in the Fiscal Year 2027 Adopted Operating Budget, an increase of \$266,049. There is no additional fiscal impact for the Fiscal Year 2027.

*POLICE LIEUTENANT (P215):* The one and one-quarter percent (1.25%) salary adjustment to Police Lieutenant is included in the Fiscal Year 2027 Adopted Operating Budget, and increase of \$35,152 (\$32,188 General Fund, \$2,964 Measure C). There is no additional fiscal impact for Fiscal Year 2027.

*SENIOR UTILITIES ENGINEER (H810):* The eleven and three-hundredths percent (11.03%) salary adjustment to the Senior Utility Engineer effective June 30, 2025 results in a fiscal impact of approximately \$65,000 annually shared between the Water and Sewer Enterprise Funds. In FY 2027, retroactive payments will be paid to employees. Therefore, the fiscal impact will occur in FY 2027. Staff does not recommend modifications to the adopted budget at this time and anticipates that this amount can be absorbed into the department's adopted budget. There are no impacts to the general fund. The retroactive adjustment is included in the FY 2026 Salary Plan (Attachment IV)

*UTILITY WORKER - WATER (M835):* To maintain a ten percent (10%) differential between Utility Leader – Water (M840), a five percent (5%) adjustment effective July 29, 2024 has been applied to the Utility Worker – Water resulting in a fiscal impact of approximately \$40,000 annually. In FY 2027, retroactive payments will be paid to employees. Therefore, the fiscal impact will occur in FY 2027. Staff does not recommend modifications to the adopted budget at this time and anticipates that this amount can be absorbed into the department's adopted budget. There are no impacts to the general fund. The retroactive adjustments are included in the FY 2025 Salary Plan (Attachment III) and the FY 2026 Salary Plan (Attachment IV)

*MAYOR (E100):* The Mayor (1 FTE) will forgo a three and eight-tenths percent (3.8%) salary adjustment in Fiscal Year 2027.

*COUNCIL (E110):* Councilmembers (6 FTE) will forgo a three and eight-tenths percent (3.8%) salary adjustment in Fiscal Year 2027.

*ADMINISTRATIVE INTERN (Z120):* The three and eight-tenths percent (3.8%) salary adjustment to the Administrative Intern (1 FTE) to the FY 2027 budget impact is \$1,507.50 to the Water Fund. There is no impact to the general fund.

*INFORMATION TECHNOLOGY INTERN (Z121)*: The three and eight-tenths percent (3.8%) salary adjustment to the Information Technology Intern (1 FTE) to the FY 2027 budget impact is \$1,507 to the IT Fund. There is no impact to the general fund.

*TECHNICAL INTERN (Z125)*: The three and eight-tenths percent (3.8%) salary adjustment to the Technical Intern (1 FTE) to the FY 2027 budget impact is \$1,507.50 to the Water Fund. There is no impact to the general fund.

**BACKGROUND & DISCUSSION**

Cost-of-Living-Adjustments (COLAs):

The City of Hayward and HAME, SEIU Clerical, and Local 21 have entered into separate side letters of agreement in recognition of the City’s significant fiscal challenges and the need to preserve public services while supporting the long-term financial stability of the organization. As part of these agreements, the respective bargaining units have agreed to defer the scheduled 3.0% wage increase for represented employees in classifications that are not entirely funded through enterprise funds. These agreements reflect a shared commitment between the City and its workforce to navigate current economic challenges collaboratively while minimizing impacts to public services and positioning the organization for greater long-term financial sustainability.

For the remaining positions in the classified service, pursuant to the negotiated terms of the respective MOUs between the City of Hayward and HAME, Local 21, and SEIU Maintenance, COLA salary increases will be applied as indicated in Table 1 below, effective June 29, 2026. Table 1 below shows all COLA increases by the employee group.

**Table 1 – Fiscal Year 2027 Cost-of-Living Adjustments**

<b>EMPLOYEE GROUP</b>	<b>COLA</b>	<b>EFFECTIVE DATE</b>
HAME <sup>1</sup>	3.00 %	June 29, 2026
Local 21 <sup>1</sup>	3.00 %	June 29, 2026
SEIU Maintenance	3.00 %	June 29, 2026
<sup>1</sup> Applicable to classifications in the bargaining unit where all positions within the classification are entirely funded through enterprise funds.		

Salary Adjustments:

The following salary adjustments are related to contractual obligations in the respective MOUs.

*POLICE LIEUTENANT (P215)*: Pursuant to section 8.00 of the HPOA MOU (Salaries), the salaries for Police Lieutenant shall be increased by one and one quarter percent (1.25%) effective June 29, 2026. The salary range for Police Lieutenant is \$110.05 at Step D and \$115.41 at Step E.

*SENIOR UTILITIES ENGINEER (H810)*: Pursuant to Section 7.18 of the HAME MOU (Salary Surveys), a salary survey conducted identified Senior Utilities Engineer below the market rate and met the criteria to receive equity adjustments. The salaries for Senior Utilities Engineer (H810) shall be increased by eleven and three-hundredths percent (11.03%) retroactive to

June 30, 2025. The salary range for Senior Utilities Engineer (H810) is \$92.30 at Step A and \$112.18 at Step E.

*UTILITY WORKER - WATER (M835)*: Pursuant to Section 9.02 of the SEIU Maintenance MOU (Lead and Senior Differential Pay), the wage rates for “Lead” classifications shall be set ten percent (10%) above its highest paid linked classification. The salaries for Utility Worker – Water (M835) shall be increased by five percent (5.00%) retroactive to July 29, 2024. The salary range for Utility Worker (M835) is \$50.93 at Step A and \$59.34 at Step E.

Living Wage Ordinance:

The Living Wage Ordinance, established July 1, 1999, was designed to upwardly adjust and reflect a change in the Bay Area Consumer Price Index. The salaries for the Mayor, Council, and Intern classifications (Administrative Intern, Information Technology Intern, and Technical Intern) fall under Section 2, Article 14 of the City Charter regarding the Living Wage Ordinance. Based on the April 2026 CPI data available, the salaries for Mayor, Council, Administrative Intern, Information Technology Intern, and Technical Intern shall be adjusted 3.8% effective June 29, 2026.

To help lead the City in addressing the current financial state of the organization, the Mayor and City Council decided to forgo the salary increase for Mayor and Council of three and eight tenths percent (3.8%) effective June 29, 2026.

The new salaries for the intern classifications are as follows:

**ADMINISTRATIVE INTERN (Z120)**: The salary range for Administrative Intern is \$19.79 at Step D and \$25.05 at Step E.

**INFORMATION TECHNOLOGY INTERN (Z121)**: The salary range for Information Technology Intern is \$19.79 at Step D and \$25.05 at Step E.

**TECHNICAL INTERN (Z125)**: The salary range for Technical Intern is \$19.79 at Step E.

**STRATEGIC ROADMAP**

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

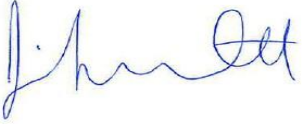
**NEXT STEPS**

This salary plan will be implemented by the Human Resources and Finance Departments and will be reflected in the employees’ paychecks dated July 17, 2026 with retroactive payments to follow.

*Prepared by:* Annie Xiao, Acting Human Resources Analyst

*Recommended by:* Latisha Dotson, Human Resources Manager  
Ian Tecson, Director of Human Resources

Approved by:

A handwritten signature in blue ink, appearing to read "Jennifer Ott". The signature is fluid and cursive, with the first name "Jennifer" and the last name "Ott" clearly distinguishable.

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Jennifer Ott, City Manager