

SIDE LETTER OF AGREEMENT

BETWEEN

CITY OF HAYWARD

AND

HAYWARD POLICE OFFICERS' ASSOCIATION

Representatives of the City of Hayward and the Hayward Police Officers' Association ("HPOA") 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 HPOA, through December 31, 2029 (the "HPOA MOU").

Except where specifically modified below, all other terms of the HPOA 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 8.00 of the HPOA MOU will be amended as follows:

8.00 SALARIES

Salaries for classifications in this representation unit shall be enumerated in Appendix A to this Memorandum of Understanding.

Bargaining unit salaries effective the pay period including July 1, 2024, through the last day of the pay period preceding the pay period that includes July 1, 2025 shall be increased by ten and thirty two one hundredths percent (10.32%). During this same period, the salaries for the Police Lieutenant classification shall be increased by an additional one and one quarter percent (1.25%) for a total increase of eleven and fifty-seven one hundredths percent (11.57%).

Bargaining unit salaries effective the pay period including July 1, 2025 through the last day of the pay period preceding the pay period that includes January 1, 2026 shall be increased by five and one half percent (5.5%). During this same period the salaries for the Police Lieutenant classification shall be increased by an additional one and one quarter percent (1.25%) for a total increase of six and three-quarters percent (6.75%).

The bargaining unit's base wage shall be increased the pay period including January 1, 2026, through the last day of the pay period preceding the pay period that includes January 1, 2027, based on the established salary survey formula below but shall not exceed seven percent (7%).

The salaries for the Police Lieutenant classification shall be increased effective the pay period including July 1, 2026, by one and one quarter percent (1.25%).

The bargaining unit's base wage shall be increased the pay period including January 1, 2027, through the last day of the pay period preceding the pay period that includes January 1, 2028, **by four and one half percent (4.5%)** based on the established salary survey formula ~~below but shall not be less than five percent (5%) and shall not exceed seven percent (7%).~~

The salaries for the Police Lieutenant classification shall be increased effective the pay period including July 1, 2027, by one and one quarter percent (1.25%).

The bargaining unit's base wage shall be increased the pay period including January 1, 2028, through the last day of the pay period preceding the pay period that includes January 1, 2029, **by four and one half percent (4.5%)** based on the established salary survey formula ~~below but 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 January 1, 2029, through the last day of the pay period preceding the pay period that includes January 1, 2030, based on the established salary survey formula below **but shall not be less than two percent (2%) and shall not exceed three percent (3%).**

Salary Survey

Base salary for all classifications covered by this Memorandum of Understanding (MOU) increased by the difference between the total compensation of a Hayward Police Officer and the average of the total compensation for Police Officer of the top four (4) agencies based on a survey of salary and benefits. The percentage increase shall be determined by $(\text{Total compensation average of top four (4) agencies} - \text{Total compensation of Hayward Police Officer}) / \text{Total compensation of the Hayward Police Officer}$, 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 November 30 of each year and include all salaries and benefits effective on January 1, of each year respectively, and approved by the agencies board or council. If on July 1 of each year, any of the above agencies reaches a settlement retroactive on or prior to January 1 of that respective year, thereby changing the average of the top four (4) agencies, a one-time adjustment will be made no later than August 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.

For purposes of this agreement and any mutually agreed upon successor Memorandum of Understanding, "total compensation" shall mean the top step Officer 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 Officers; continuous service pay applicable to all Police Officers; shift differential pay applicable to all Police Officers; 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 Officers shall be the amount of the family premium for the health plan in which the plurality of the HPOA members are enrolled. The amount to be included in the survey for employee's 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/POST incentive pay and continuous service pay shall be the maximum amount allowable for each incentive under each separate salary survey City's MOU. The amount to be included in the survey for shift differential pay shall be one third (1/3) of the maximum allowable under each separate salary survey City's MOU.

- 2) **Shift Change Side Letter:** The Parties will extend the terms of the December 31, 2025 shift change side letter from December 31, 2026 through December 31, 2027. During the term of the shift change side letter, the Parties will meet to discuss the impacts of the shift change on special assignments within the Police Department.

For Hayward Police Officers' Association:

For City of Hayward:

Jennifer Ott, City Manager

Burke Dunphy, Chief Negotiator

Ian Tecson, Director of Human Resources

Dated _____

Dated _____