



DATE: March 17, 2026

TO: Mayor and City Council

FROM: Director of Human Resources

SUBJECT: Adopt a Resolution Approving a Side Letter of Agreement Amending the Memorandum of Understanding between the City of Hayward and the Hayward Police Officers Association and Authorizing Staff to Execute the Agreement

RECOMMENDATION

That the City Council adopts a Resolution (Attachment II) approving a Side Letter of Agreement amending the Memoranda of Understanding (MOU) between the City of Hayward and the Hayward Police Officers Association (HPOA) and authorizing staff to execute the agreement.

SUMMARY

The City has met and conferred in good faith with HPOA, and the parties agreed to revise language to ensure compliance with the California Public Employee Retirement System (CalPERS) regulations. These changes reflect the intention of pensionable contributions for educational incentive, longevity incentive, and the Peace Officer Standards and Training (POST) certification incentive pays.

FISCAL IMPACT

If approved, the proposed amendments to the HPOA MOU would result in a minor fiscal impact which can be absorbed into the Hayward Police Department (HPD) budget. Based on current staff and their current incentives, the impact is anticipated around \$20,000 but may change as additional staff achieve education, POST, or longevity milestones. The changes are intended to align the MOU with CalPERS regulations and the intentions of the parties' when the language was initially adopted.

BACKGROUND

CalPERS has determined the existing MOU language conflicts with CCR section 571(a); and therefore, does not allow for the incentives currently received by employees to be counted as pensionable compensation due to the structure. It was, and remains, the intent of the parties that the education incentive, longevity pay, and POST Certification pay be counted as

special compensation and available to all members of the bargaining unit who meet the requisite qualifications. The City and HPOA met and conferred in good faith and have identified and agreed to language that amends the respective MOU provision(s) for educational incentive, longevity incentive, and POST certification pays; and brings the mutual intention of reportable pension pay into compliance with CalPERS regulations.

DISCUSSION

The City and HPOA have met and conferred in good faith to revise language to ensure compliance with CalPERS regulations related to the education incentive, longevity incentive, and POST certification pays and reflect the parties' intent to pay individuals in accordance with Gov. Code Section 20636(c), CCR Section 571 and 571.1. The following provisions were revised to align with the original intention of pension-reportable pay.

Section 15.01 Police Education Incentive Program

The revisions in this section separate educational incentive for a college degree and continuing education from POST certification pay. As part of these amendments, and in order to maintain cost neutrality to the extent possible, the incentive associated with a bachelor's degree has been removed. When combined with other incentives, it is not anticipated that current members will be impacted by this change. Incentive under this program is available for continuing education based on continued enrollment on a rolling 12-month basis at two and one-half percent (2.5%) and for obtaining or possessing a master's degree at two and one-half percent (2.5%). Educational incentive under this section is limited to total of five percent (5%).

15.02 Longevity (Continuous Service) Pay

The revisions in this section generalize this incentive pay as applicable to "Bargaining unit members" versus the previous "Officers" to emphasize that all employees covered under the MOU as members of the bargaining unit are eligible based on experience as a sworn law enforcement officer with the City of Hayward for a specified number of years. The qualifying years of service and percentages for longevity incentive under this section were not changed as part of these edits and remain qualifying starting with 12 years at five percent (5%) and increases as shown in Table 1, up to 24 years or more. Longevity pay is limited to total of fifteen percent (15%).

15.07 Peace Officer Standards and Training (POST) Certification Pay

This section is a new provision to separate POST certification pay from educational incentive for a college degree and continuing education. Under this provision, employees with an intermediate POST certificate are eligible for a six percent (6%) incentive, and employees with an Advanced POST certification are eligible for eight and one-half percent (8.5%). POST certification pay is limited to a total of eight and one-half percent (8.5%).

A summary of the provisions is outlined in Table 1 below.

Table 1: Summary of Provisions

MOU Section	Summary of Provision	Effective Dates (as aligned with applicable pay periods)
15.01 Police Education Incentive Program	Master's Degree: 2.5% Continuing Education: 2.5% Total Educational Incentive Program limit: 5%	July 1, 2024
15.02 Longevity (Continuous Service) Pay	Available to bargaining unit members who have experience as a sworn law enforcement officer with the City of Hayward for: <ul style="list-style-type: none"> • 12 years: 5% • 16 years: 8% • 20 years: 11% • 21 years: 12% • 22 years: 13% • 23 years: 14% • 24 years: 15% Total Longevity Pay limit: 15%	July 1, 2024
15.07 Peace Officer Standards and Training (POST) Certification Pay	Intermediate POST Certificate: 6% Advanced POST Certificate: 8.5% Total POST Certification Pay limit: 8.5%	July 1, 2024

STRATEGIC INITIATIVES

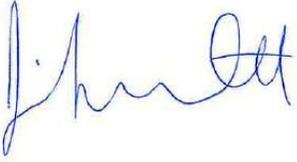
This agenda item is a routine operational item and does not relate to one of the Council's Strategic Initiatives.

NEXT STEPS

Staff will finalize a side letter agreement and obtain necessary review by the City Attorney and approval by the City Manager to execute them. The Human Resources Department will work with the Finance Department to implement these changes.

Prepared and Recommended by: 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.

Jennifer Ott, City Manager