

CITY COUNCIL AGENDA ITEM NO. H.2
11/12/2024

SUBJECT: Approve a successor Memorandum of Understanding between the City of Brentwood and the Brentwood Police Officers' Association for the period of July 1, 2024 - June 30, 2027, and adopt Appropriations Amendments to the 2024/25 – 2025/26 Operating Budget

DEPARTMENT: Human Resources

STAFF: Sukari Beshears, Director of Human Resources/Risk Manager

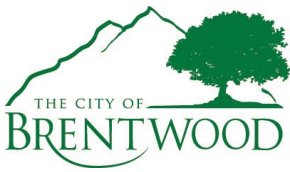
TITLE/RECOMMENDATION

Adopt a Resolution 1) Approving and Authorizing the City Manager to execute a successor Memorandum of Understanding (MOU) between the City of Brentwood and the Brentwood Police Officers' Association for the period of July 1, 2024 through June 30, 2027; 2) Approving the Pay Schedule in accordance with the California Code of Regulations, Title 2, Section 570.5 and Authorizing the Director of Human Resources/Risk Manager to make ministerial revisions to the Pay Schedule to reflect the changes; and 3) Adopting Appropriations Amendments to the 2024/25 – 2025/26 Operating Budget.

The proposed actions will ensure there is a current agreement between the City of Brentwood and Brentwood Police Officers' Association regarding wages, hours, and other terms and conditions of employment.

FISCAL IMPACT

Personnel costs are the largest category of General Fund spending, and with a budget of \$49.2 million in FY 2024/25, comprise nearly 2/3 of General Fund appropriations. The 2024/25 – 2025/26 Operating Budget, adopted in June 2024, included placeholders for increased labor costs from the labor negotiation process. The Budget was adopted with a projected two-year surplus, currently estimated at \$1.5 million, which can be used for labor costs in excess of the budgeted placeholders. In addition, the recently released FY 2023/24 General Fund results showed a preliminary one-time surplus of about \$2.7 million, due mainly to \$1.1 million in one-time investment fair market value gains and \$1.2 million released from a future planned project. The additional General Fund Operating Budget expenditure



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increase required above the placeholders included in the 2024/25 – 2025/26 Operating Budget are \$717,066 for FY 2024/25 and \$736,150 for FY 2025/26, respectively.

The City's intermediate and long term fiscal forecasts were presented at the time of budget adoption. Those projections, which have since improved due to a higher than anticipated 2024/25 increase in property tax revenues, project that short-term deficits, if incurred, would be manageable with support from Budget Stabilization Fund. Additionally, projected long-term costs continue to trend favorably in the 12+ year horizon as pension and retiree medical obligations are paid down.

Approval of this proposed MOU and others to follow will result in fewer available financial resources for new and current projects and expansion of programs.

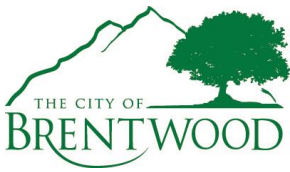
BACKGROUND

The City's interest is to be fair and equitable to employees and to maintain competitive salaries and benefits. The City will also continue to chart a fiscally sustainable path into the future for its employees, and the citizens it serves, by maintaining reserves and avoiding increases to unfunded obligations.

City representatives negotiated a tentative agreement with BPOA, after commencing negotiations on March 27, 2024. BPOA represents approximately fifty-nine (59) police officer and police sergeant employees. The prior MOU approved by the City Council covered the period of July 1, 2021 through June 30, 2024. On September 25, 2024 after several negotiation sessions, a tentative agreement was reached for a successor BPOA MOU that was ratified on October 12, 2024.

A copy of the proposed successor BPOA MOU is included as Exhibit A. The following is a list of the new term and substantive differences between the BPOA MOU, which expired on June 30, 2024, and the proposed new BPOA MOU.

- **Contract Term** – Three (3) years effective July 1, 2024 through June 30, 2027
- **Salary Adjustments** – Over the three (3) year-term effective as follows:
 - July 1, 2024: COLA 4% + Equity (Police Officers 3% and Police Sergeants 6% for a total of 7% Police Officers and 10% Sergeants)
 - July 1, 2025: COLA 3% + Equity 1% for a total of 4%
 - July 1, 2026: COLA 3%
- **One-Time Payment** – \$2,000 for those actively employed by the City on the date of adoption by City Council and actively employed by the City on the date of payment.



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- **Longevity Incentive Pay** – Effective July 1, 2026, with the completion of sworn peace officer service as follows: 5-9 years, 2%; 10-14 years, 4%; and 15 years, 6%.
- **Health Insurance** – Effective July 1, 2024, City will pay up to the Kaiser Permanente HMO premium of the full-family rate for the plan selected based on the level of eligibility.
- **Call Out** – Modify call out language to memorialize the current practice to pay at the overtime rate.
- **Holidays** – Effective July 1, 2024, modify language for the City to pay holidays in equal installments on a pay period basis (no fiscal impact).
- **Uniform Allowance** – Effective July 1, 2024, modify language for the City to pay uniform allowance in equal installments on a pay period basis (no fiscal impact).

Staff recommends that the City Council approve the successor MOU, as well as changes to the Pay Schedule for the BPOA employees effective July 1, 2024. Employees must have regular status on the date of adoption to be eligible to receive the salary increase and benefit changes as outlined in the proposed successor MOU. Staff also recommends that City Council adopt Appropriations Amendments to the 2024/25 -2025/26 Operating Budget.

This staff report and related attachments have been reviewed by the City Attorney and outside legal counsel that specializes in employment law.

CITY COUNCIL STRATEGIC INITIATIVE

Not Applicable.

PREVIOUS ACTION

Previous Action by the City Council is included on Attachment 1.

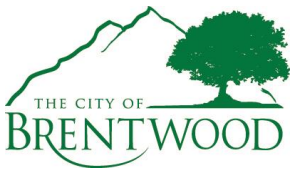
DATE OF NOTICE

Not Applicable.

ENVIRONMENTAL DETERMINATION

Not Applicable.

ALTERNATIVE OPTION(S)



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Staff does not recommend any alternative options to ensure that the City of Brentwood has a current agreement in place with BPOA regarding wages, hours, and other terms and conditions of employment.

ATTACHMENT(S)

1. Previous Action
2. Resolution
3. Exhibit A – BPOA MOU