



SUBJECT: Approve a successor Memorandum of Understanding between the City of Brentwood and the Brentwood Police Lieutenants' Group 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 Lieutenants' Group 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 Lieutenants' Group regarding wages, hours, and other terms and conditions of employment.

FISCAL IMPACT

Personnel costs are by far 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



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planned project. The additional General Fund Operating Budget expenditure increase required above the placeholders included in the 2024/25 – 2025/26 Operating Budget are \$87,289 for FY 2024/25 and \$94,914 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 the Budget Stabilization Fund. Additionally, long-term costs continue to project favorably in the 12+ year horizon as pension and retiree medical obligations are paid down.

Approval of the proposed MOU will result in fewer available financial resources for projects and the potential expansion of programs.

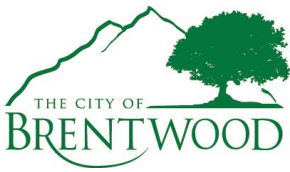
BACKGROUND

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 the Brentwood Police Lieutenants' Group. The representatives commenced negotiations with the Brentwood Police Lieutenants' Group on March 6, 2024. During the negotiation process, City representatives regularly shared and communicated the City's interests. The following summarizes the proposed MOU for the Brentwood Police Lieutenants' Group.

The Brentwood Police Lieutenants' Group represents four (4) police lieutenant employees. The MOU approved by the City Council covered the period of July 1, 2021 through June 30, 2024. On November 19, 2024 after several negotiation sessions, a tentative agreement was reached for a successor Brentwood Police Lieutenants' Group MOU. A copy of the proposed successor Brentwood Police Lieutenants' Group MOU is included as Exhibit A. The following is a list of the substantive differences between the Brentwood Police Lieutenants' Group MOU, which expired on June 30, 2024, and the proposed new Lieutenants Group 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 6% for a total of 10%
 - July 1, 2025: COLA 3% + Equity 1% for a total of 4%



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- 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.
- **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.
- **Floating Holidays/Personal Days** – Increase maximum cap from 56 hours to 80 hours that an employee can have on the books.
- **Professional Dues** – Effective January 1, 2025, reimburse employees up to \$500 per calendar year for professional organization dues and legal fees.

The Brentwood Police Lieutenants’ Group ratified the tentative agreement on November 19, 2024.

Staff recommends that the City Council approve the successor MOU, as well as changes to the Pay Schedule for the Brentwood Police Lieutenants’ Group 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

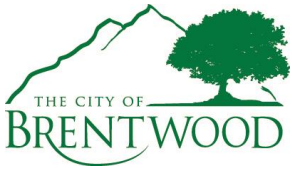
Previous Action by the City Council is included on Attachment 1.

DATE OF NOTICE

Not Applicable.

ENVIRONMENTAL DETERMINATION

Not Applicable.



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ALTERNATIVE OPTION(S)

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

ATTACHMENT(S)

1. Previous Action
2. Resolution
3. Exhibit A – Brentwood Police Lieutenants' Group MOU