

The City acknowledges that it had previously reached agreement with HPOA (the Union) to provide a 2% cost-of-living adjustment effective July 1, 2020, as provided in Section 8.00 of the current Memorandum of Understanding (MOU) between the City of Hayward and the Union.

In recognition of the unanticipated and sudden fiscal impact of the COVID-19 pandemic on the City of Hayward, the City proposes deferring the 2% cost-of-living adjustment scheduled for July 1, 2020 until the following financial indicators are met:

1. Revenue recovery occurs and is the same or greater than revenue levels in FY 2018 reported in the City's CAFR for the following:
 - a. Sales tax
 - b. Property tax
 - c. Real Property Transfer Tax
 - d. Transient Occupancy Tax
2. No economically forced layoffs are required to balance the budget or meet the structural deficit in the fiscal year where the other three financial indicators are met.
3. The City's General Fund reserves are restored to 17% of the budgeted annual operating expense budget.
4. Adoption of a Balanced Budget without the use of General Fund reserves.

Following execution of this agreement, the City agrees to meet with the Union on a bi-annual basis to discuss the financial health of the City and provide updated projections on when the above financial indicators may be met. Any projections on when Union members can anticipate receiving the COLA originally scheduled for July 1, 2020 are solely projections and shall not be construed as agreement to implement the July 1, 2020 COLA until and unless the above indicators are met.

This Agreement shall not be subject to the grievance procedure contained in the Memorandum of Understanding between the City and the Union.

The parties acknowledge that the agreement to defer the previously agreed upon COLA for July 1, 2020 is a concession voluntarily made by the Union membership.

For the City:

For the Union:
