

**CITY OF HAYWARD
AND
HAYWARD POLICE OFFICERS' ASSOCIATION
TENTATIVE SIDE LETTER OF AGREEMENT**

The City of Hayward is struggling with serious recruitment and retention challenges for Police Officers, with the current vacancy rate for Police Officer being approximately 23%. To address these challenges and ensure adequate policing for the community, this Side Letter of Agreement is made between the City of Hayward (City) and the Hayward Police Officers' Association (HPOA) to amend Section 8.00 (Salaries) of the existing Memorandum of Understanding (effective through June 30, 2024) between the parties.

The City and the HPOA acknowledge that there was no formal reopener of the existing MOU and this Side Letter was a product of informal dialogue between the parties in order to address the aforementioned staffing crisis. The City and the HPOA agree that the terms of this Side Letter of Agreement shall become effective the pay period following City Council approval and shall remain in effect for the remainder of the term of the current MOU until the parties have completed the meet and confer process for successor provisions or a successor MOU. The terms of this Side Letter shall supersede and replace all other side letters and MOU provisions on the specific sections identified below. All other provisions of the parties' MOU shall remain unchanged unless otherwise agreed to by the parties or as a result of subsequent negotiations over a successor MOU.

8.00 SALARIES

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

The parties hereby acknowledge the City's revenue shortfall and increased expenditures for the 2015-2019 fiscal years. The parties also acknowledge and assent that in light of the HPOA's agreement to waive, and permanently relinquish, salary adjustments that were owed pursuant to the MOU and previous side letters to the MOU for fiscal years 2009, 2010, 2012, 2013, and 2014, (as a result, the members of the HPOA received only one (1) salary increase over a six (6)-year span) the parties have met and conferred in good faith and have agreed upon the following:

Bargaining unit salaries effective the pay period including July 1, 2014 through the last day of the pay period preceding the pay period that includes July 1, 2015 shall not be increased and shall remain at the levels currently held for the 2014 fiscal year.

The bargaining unit's base wage effective the pay period including July 1, 2015 through the last day of the pay period preceding the pay period that includes July 1, 2016 shall be increased by 3%.

The bargaining units base wage effective the pay period including July 1, 2016 through the last day of the pay period preceding the pay period that includes July 1, 2017 shall be increased by 3%.

Bargaining unit salaries effective the pay period including July 1, 2017 through the last day of the pay period preceding the pay period that includes July 1, 2018 shall not be increased and shall remain at the levels established for the 2017 fiscal year.

The bargaining unit's base wage shall be increased the pay period including July 1, 2018 through the last day of the pay period preceding the pay period that includes July 1, 2019 based on the newly established salary survey formula below but shall not exceed five percent (5%).

Bargaining unit salaries effective the pay period including July 1, 2019 through the last day of the pay period preceding the pay period that includes July 1, 2020 shall not be increased and shall remain at the levels established for the 2019 fiscal year.

Bargaining unit salaries effective the pay period including July 1, 2020 through the last day of the pay period preceding the pay period that includes July 1, 2021 shall be increased by 2%

Bargaining unit salaries effective the pay period including July 1, 2021 through the last day of the pay period preceding the pay period that includes July 1, 2022 shall be increased by 2.5%.

Bargaining unit salaries effective the pay period including July 1, 2022 through the last day of the pay period preceding the pay period that includes July 1, 2023 shall be increased by 7.5%.

Bargaining unit salaries effective the pay period including July 1, 2023 through the last day of the pay period preceding the pay period that includes January 1, 2024 shall be increased by 4%.

The bargaining unit's base wage shall be increased the pay period including January 1, 2024 through the last day of the pay period preceding the pay period that includes July 1, 2024 based on the established salary survey formula below but shall not exceed 5%.

Salary Survey

Base salary for all classifications covered by this 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 .01%. Hayward may be included in the top four (4) agencies should its compensation so indicate.

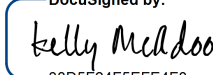
Surveyed agencies shall be: Santa Clara, Vallejo, Palo Alto, Richmond, Fremont, Berkeley, Daly City, San Mateo, Alameda, and San Leandro.

The salary survey shall be completed by May 31 of each year and include all salaries and benefits effective on July 1, of each year respectively, and approved by the agencies board or council. If on October 1 of each year, any of the above agencies reaches a settlement retroactive on or prior to July 1 of that respective year, thereby changing the

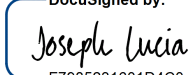
average of the top four (4) agencies, a one-time adjustment will be made no later than November 1 of that respective year to salaries to reflect that change. Even withstanding the exceptions outlined above, the salary survey itself shall be completed annually regardless of the years where salary adjustments are not linked to it. Unless otherwise negotiated, salary increases resulting from salary surveys shall not exceed five percent (5%).

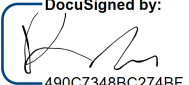
For purposes of this agreement and any mutually agreed upon successor Memorandum of Understanding, "total compensation" shall mean the top step Officer base monthly salary; employer-paid member CalPERS contributions; total employee-paid voluntary cost sharing of employer CalPERS contributions; holiday 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, LTD/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.

For the City of Hayward:

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Kelly McAdoo
City Manager

For the Hayward Police Officers' Association:

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Joseph Lucia, Counsel
Hayward Police Officers' Association

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Ricardo Flores, President
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