



Office of the City Manager

CONSENT CALENDAR  
September 12, 2023

To: Honorable Mayor and Members of the City Council  
 From: Dee Williams-Ridley, City Manager  
 Submitted by: Aram Kouyoumdjian, Director of Human Resources  
 Subject: Memorandum of Understanding: Berkeley Police Association

RECOMMENDATION

Adopt a Resolution 1) approving a successor Memorandum of Understanding (hereafter referred to as "MOU") with the Berkeley Police Association (hereafter referred to as the "Union") for a three-year term from July 1, 2023 through June 30, 2026 and authorizing the City Manager to execute and implement the terms and conditions of employment set forth in the new MOU and to make non-substantive edits to the format and language of the MOU in alignment with the tentative agreement, and conforming to legal requirements; and 2) approving a new Classification and Salary table for Representation Units E and F that implement the salary adjustments reflected in the new MOU and supersede Resolution No. 69,965,-N.S.

The terms of the proposed 2023-2026 MOU are within the parameters of authority approved by Council in closed session. The proposals were ratified by the Union following a three-day vote that concluded on August 14, 2023.

FISCAL IMPACTS OF RECOMMENDATION

The cost for the new MOU is approximately \$4.3 million in the first year, \$7.17 million in the second year, and \$9.39 million in the third year.

Savings to the City from modifications to retiree health benefits will vary depending on staffing levels and longevity rates but can be as high as \$13.66 million according to the most recent actuarial study conducted for the City. These savings will significantly reduce the City's long-term unfunded liabilities.

CURRENT SITUATION AND ITS EFFECTS

The City's labor contract with the Union expired and was fully terminated as of June 30, 2023. In an effort to reach agreement on a successor MOU, representatives of the City and representatives of the Union commenced negotiation sessions beginning in March of 2023. The parties reached a tentative agreement on August 10, 2023.

Notable changes in the 2023-2026 MOU are along four dimensions:

- (1) **COLA Increases:** The terms of the new MOU provide for a 3% wage increase effective September 3, 2023 (the start of the first full pay period after August 28, 2023, the initial anticipated date for Council adoption); a 3% wage increase effective July 7, 2024; and a 3% wage increase effective July 6, 2025 for a cumulative wage increase of 9% over three (3) years.
- (2) **KIND Policing Educational Incentive:** The MOU introduces a new educational incentive for KIND Policing that is **Constitutional, Humane, Impartial, Neighborhood- and Community-Oriented, and DEI-Centered**. The incentive provides a pay differential of 3% effective September 3, 2023, with a 1% increase effective July 7, 2024 (for a total of 4%). It requires a 30-hour initial certification and 15 hours of continuing education on a yearly basis in specified areas of training, such as Active Bystandership for Law Enforcement, Anti-Racism, Cultural Competence, De-escalation Techniques, Empathy, Ethics, Implicit Bias Prevention, and Procedurally Just Policing.
- (3) **Longevity Pay:** Effective September 3, 2023, the MOU modifies the current longevity pay structure to provide 3% longevity pay beginning with the 8<sup>th</sup> year of service and subsequent 3% increases beginning with the 12<sup>th</sup>, 15<sup>th</sup>, and 18<sup>th</sup> years of service for a maximum of 12%. The modifications aim to keep the department competitive with other agencies and enhance retention.
- (4) **Retiree Health Benefits:** Effective July 7, 2024, the retiree medical benefit identified in the current MOU will be frozen at rates in place as of July 1, 2024, and the benefit will be fully vested for all current members and members hired on or before June 30, 2024. Effective July 7, 2024, the City shall contribute \$50.00 per pay period into an individual PORAC RMT account for all members hired on or before June 30, 2024. BPA members hired on or after July 1, 2024, shall be entitled to receive the minimum contribution for retirees specified by Government Code section 22892 (currently \$151.00/month). New hires will make an employee contribution of \$50.00 per pay period into their individual PORAC RMT account.

By effectuating these changes, the City will realize future savings that may be as high as \$13.66 million in other post-employment benefits (OPEB), thus reducing its long-term unfunded liabilities.

### BACKGROUND

During the course of negotiations, the Union and the City agreed to various linguistic updates to the MOU (e.g., gender-neutral pronouns), aligned certain sections (e.g., bereavement leave) with changes in the law, and redacted timed-out provisions.

The four areas of significant change (outlined in the previous section) are captured in the following chart:

Section	Change
10: Duration	Three-years – July 1, 2023 through June 30, 2026.
11: Salaries	3% effective September 3, 2023; 3% effective July 7, 2024; and 3% effective July 6, 2025.
13.7.3 (New): KIND Policing Educational Incentive	3% effective September 3, 2023; an additional 1%, for a total of 4%, effective July 7, 2024.
15: Longevity Pay	Effective September 3, 2023, 3% at 8 years of service; an additional 3% at 12 years of service; an additional 3% at 15 years of service; and an additional 3% at 18 years of service.
32.5.10.6 (New): Retiree Medical Contribution	<p>Effective July 7, 2024, the retiree medical benefit identified in the current MOU will be frozen at rates in place as of July 1, 2024, and the benefit will be fully vested for all current members and members hired on or before June 30, 2024. Effective July 7, 2024, the City shall contribute \$50.00 per pay period into an individual PORAC RMT account for all members hired on or before June 30, 2024.</p> <p>BPA members hired on or after July 1, 2024 shall be entitled to receive the minimum contribution for retirees specified by Government Code section 22892 (currently \$151.00/month). New hires will make an employee contribution of \$50.00 per pay period into their individual PORAC RMT account.</p>

**ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS**

There are no identifiable environmental effects or opportunities associated with the subject of this report.

**RATIONALE FOR RECOMMENDATION**

The City’s labor contract with BPA expired on June 30, 2023, triggering the need to negotiate a successor agreement.

The recommended changes to the MOU address the need for COLA increases and modifications to longevity pay in order to keep the Berkeley Police Department competitive in its recruitment and retention efforts.

The KIND Policing Educational Incentive is a first-of-its-kind initiative that promotes the City’s policing values while ensuring the availability of robust training for sworn members of the Berkeley Police Department in effective policing that is rooted in procedural justice and impartiality, community-oriented, and culturally competent.

The revisions to the retiree health benefits program address a key financial concern for the City – unfunded future liabilities – and will reduce such liabilities by as much as \$13.66 million.

ALTERNATIVE ACTIONS CONSIDERED

Various alternative proposals were considered by the Union and the City's negotiation team before mutual agreement was reached on the proposed MOU.

CONTACT PERSON

Aram Kouyoumdjian, Director of Human Resources, (510) 981-6807.

Attachments:

- 1: Resolution: Memorandum of Understanding: Berkeley Police Association
  - Exhibit A: Memorandum of Understanding Between the City of Berkeley and Berkeley Police Association (Revised Version)
  - Exhibit B: Memorandum of Understanding Between the City of Berkeley and Berkeley Police Association (Tracked Changes Version)

RESOLUTION NO. ##,###-N.S.

MEMORANDUM OF UNDERSTANDING: BERKELEY POLICE ASSOCIATION

WHEREAS, the City is obligated under the provisions of California Government Code Sections 3500-3500, commonly referred to as the Meyers-Milias-Brown Act, to meet and confer in good faith and attempt to reach agreement with representatives of recognized bargaining units on matters within the scope of representation including, but not limited to, wages, hours, and other terms and conditions of employment; and

WHEREAS, the City's labor contract with the Berkeley Police Association expired and was fully terminated as of June 30, 2023; and

WHEREAS, representatives of the City and the Berkeley Police Association have met and conferred in good faith and have reached agreement on a new Memorandum of Understanding that incorporates all changes and modifications in wages, hours, and other terms and conditions of employment agreed to by the parties;

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is hereby authorized to execute the new Memorandum of Understanding for the period July 1, 2023 through June 30, 2026 with the Berkeley Police Association, including changes in certain benefits on dates specified in the Memorandum of Understanding which is attached hereto, made a part hereof and marked Exhibit A, and to make non-substantive edits to the format and language of the MOU in alignment with the tentative agreement, and conforming to legal requirements; and

BE IT FURTHER RESOLVED that the Council of the City of Berkeley approves, and the City Manager is hereby authorized to effectuate, a new Classification and Salary table for Representation Units E and F that implement the salary adjustments reflected in the new MOU and supersede Resolution No. 69,965,-N.S.; and

BE IT FURTHER RESOLVED that a fully executed original of said contract is filed in the Office of the City Clerk.

Exhibits

- A: Memorandum of Understanding Between the City of Berkeley and Berkeley Police Association, 2023-2026 (Revised Version)
- B: Memorandum of Understanding Between the City of Berkeley and Berkeley Police Association (Tracked Changes Version)



Agenda Item  
Attachment

This attachment will be provided to the City Council and the public prior to the meeting (including posting to the city website) in accordance with the requirements for revised and supplemental materials in the Open Government Ordinance.

**City Clerk Department**  
2180 Milvia Street  
Berkeley, CA 94704  
(510) 981-6900

**The City of Berkeley, City Council's Web site:**  
<http://berkeleyca.gov>