



**Honorable Mayor and Members of the Hermosa Beach City Council**

**ADOPT A RESOLUTION TO APPROVE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF HERMOSA BEACH AND THE POLICE MANAGEMENT GROUP EFFECTIVE JULY 1, 2025 – JUNE 30, 2028**

(Human Resources, Cynthia Stafford)

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**Recommended Action:**

Staff recommends City Council adopt a Resolution (**Attachment 1**) approving the Memorandum of Understanding (MOU) between the City of Hermosa Beach and the Police Management Group (**Attachment 2**) for Fiscal Years 2026-2028.

**Executive Summary:**

Negotiations for a successor to the Memorandum of Understanding (MOU) between the City and the Police Management Group have resulted in a tentative agreement. The City and the Hermosa Beach Police Management Group met and conferred in accordance with the Meyers-Milias Brown Act and have reached a tentative agreement on the terms and conditions of employment. The terms of the tentative agreements are summarized below.

The total estimated cost of the negotiated changes is \$330,000 for FY 2026-2028.

**Background:**

The Meyers-Milias Brown Act requires that local public agencies negotiate with its respective bargaining units regarding wages, hours, and working conditions. Agreements with the City's bargaining units expired at the end of June and, under direction from the City Council, the Council-approved City negotiating team has been in negotiations with each of the bargaining units for new terms.

The City's aim through labor negotiations is to maintain competitive wages, hours, and working conditions in a high-cost geographic labor market to retain and attract a high-quality workforce to serve our community across a range of services. Most position classifications in the City are comparable to those in other municipalities. The City contracted with Reward Strategy Group to conduct a compensation study using eleven benchmark cities in the region for labor market comparisons.

The City's negotiating team met and conferred with representatives of the Police Management Group Bargaining Unit to discuss wages, hours, and other terms and conditions of employment contained in the MOU that expired on June 30, 2025.

This bargaining unit consists of the following classifications:

- Police Captain
- Police Lieutenant

The parties have reached a tentative agreement within the authority provided by City Council and on the terms described below. On August 5, 2025, the membership of the Police Management Group Bargaining Unit met and ratified the terms of the tentative agreement, set forth in the new MOU, and hereby submitted to the City Council for approval.

**Discussion:**

The tentative MOU between the City and the Police Management Group Bargaining Unit, includes the following negotiated terms:

1. Term of the agreement to be July 1, 2025 - June 30, 2028.
2. Article 15 - Wage Rate. The parties agreed to the following salary increases over the next three years.
  - A. Effective July 1, 2025, the salary table shall be adjusted to bring all bargaining unit positions that are below market to median as determined by the 2024 Reward Strategy Group Salary Survey Results.
  - B. Effective July 1, 2025, and after the implementation of median adjustments, where applicable, the salary table for all classifications will be increased by an additional three percent (3.0%).
  - C. Effective July 1, 2026, and after the implementation of median adjustments, where applicable, the salary table for all classifications shall be increased by three percent (3.0%).
  - D. Effective July 1, 2027, and after the implementation of median adjustments, where applicable, the salary table for all classifications shall be increased by three percent (3.0%).
3. Article 16 – Longevity Pay. Add 5% Longevity Increase at five (5) years of service to match POA MOU. This 5% is not reportable to PERS as wages.
4. Article 17 – Peace Officer Standard Training (POST) Certificate Pay. Increase the compensation from 5% to 10% of base pay for possession of a POST Management Certificate to match premium pay in the POA MOU.

5. Article 18 – Acting Pay. The parties agree to compensate an employee when they are assigned the full range of job duties for a higher-level classification. Such employee shall be eligible for Acting Pay after 80 consecutive hours of performing the additional duties and shall be placed on a step in the salary range of the position in which they are temporarily assigned that provides at least a 5% increase to their current salary. Any employee receiving Acting Pay shall not be eligible for Additional Duties Pay.
6. Article 19 – Additional Duties Pay. The parties agree to compensate an employee when they are temporarily assigned additional duties. Such employee shall be eligible for Additional Duties Pay of \$400 per month after 80 consecutive hours of performing the additional duties. Any employee receiving Additional Duties Pay shall not be eligible for Acting Pay.
7. Article 21 – Health and Welfare. Add a cash in lieu option of \$750 per month if an employee waives health insurance through the City of Hermosa Beach and presents proof of medical coverage through a spouse or domestic partner.
8. Article 22 - Deferred Compensation. The parties agreed the City will match employee contributions up to \$50.00 per month.
9. Article 26 – Vacation. Increase vacation hours in the following manner:
  - Commencing with the 18th year, at the rate of 184 hours/year.
  - Commencing with the 19th year, at the rate of 192 hours/year.
  - Commencing with the 20th year, at the rate of 200 hours/year.
10. Article 27 – Holidays. Add half-day (5 hours) holiday on Christmas Eve and New Year’s Eve and delete Section C, Holiday Flex Time of ten (10) hours.
11. Article 33 – Uniforms. Increase the uniform allowance by \$200 per year.
12. Article 39 – Wellness Reimbursement. Employees may request up \$500 per plan year for participation in activities that promote personal health and wellness. Article 31 – Physical Fitness Time deleted.
13. Article 42 – Reopeners/Me-Too Clause. The parties agree that if the City provides COLA increases or other benefits to the POA greater than provided to the Police Management Group, the Unit will be eligible for the higher COLA or benefit.

**Fiscal Impact:**

The total cost of the negotiated changes is estimated to be \$330,000 for FY 2026-2028, which will be included in each subsequent year’s proposed budgets. Staff will budget the applicable change in each subsequent fiscal year’s proposed budgets.

**Attachments:**

1. Draft Resolution
2. Police Management Group MOU 2025–2028

**Respectfully Submitted by:** Cynthia Stafford, Human Resources

**Noted for Fiscal Impact:** Brandon Walker, Administrative Services Director

**Legal Review:** Todd Leishman, Interim City Attorney

**Approved:** Steve Napolitano, Interim City Manager