

# PAE/TEAMSTERS SIDE LETTERS



February 3, 2026

# Education Incentive Pay

- Unrepresented Group
  - \$400/Month – Masters Degree
  - \$350/Month – Certification Pay (Subject to CM Approval)
  - Program Began 7/1/2025
- Police Unions
  - Receive 5-10% of salary for POST Certifications or Associates/Bachelors Degrees



# Sign-On Bonus Program

- History
  - Enacted FY 22
  - Purpose was to attract employees to Hermosa Beach when staffing levels were well below 100%
- Results
  - Average of ~\$200k per year
  - Sign-on bonuses were created to boost recruitment and retention, but are less critical now; resources should be redirected toward the hardest-to-fill roles



# Purpose of Side Letters

- Address inequity in education incentives
- Align PAE and Teamsters benefits with unrepresented employees
- Maintain competitive compensation in a high-cost labor market

# Fiscal Impact

- Currently spending >\$200k/yr on sign-on bonuses
- Plan to pull back sign-on bonus efforts
- Resources will be redirected to hard-to-fill roles, with Education Incentive Pay added to support union equity and remain cost neutral

# Recommended Action

- Adopt resolution for Side Letter with Teamsters Local 986
- Adopt resolution for Side Letter with Professional & Administrative Employees (PAE)

# PAE/TEAMSTERS SIDE LETTERS



February 3, 2026