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DATE: December 4, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Brian Cochran, Assistant City Manager  
Aman Kaur, Senior Human Resources Analyst

SUBJECT: Resolution Ratifying the Memoranda of Understanding, Effective July 1, 2023 – June 30, 2026, Reached by the Duly Authorized Representatives of the City of Petaluma and the Petaluma Public Safety Mid-Management Association, Unit 10

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### **RECOMMENDATION**

It is recommended that the City Council adopt the attached Resolution Ratifying the Memoranda of Understanding, Effective July 1, 2023 – June 30, 2026, Reached by the Duly Authorized Representatives of the City of Petaluma and the Petaluma Public Safety Mid-Management Association, Unit 10.

### **BACKGROUND**

The Petaluma Public Safety Mid-Management Association (PPSMMA) represents Unit 10 and the existing Memoranda of Understanding (MOU) is effective July 1, 2021 – June 30, 2023. Pursuant to Section 1.2 of the MOU – Notice of Successor Memorandum, the City and PPSMMA representatives engaged in good-faith bargaining and subsequently, reached agreement on a successor MOU, July 1, 2023 – June 30, 2026. The successor MOU, attached as Exhibit A to the Resolution, addresses necessary contract language cleanup, includes economic terms (e.g., wage adjustments, specific premium pays), and facilitates the establishment of a Retiree Medical Trust (RMT).

### **DISCUSSION**

In compliance with Section 1.2 – Notice of Successor Memorandum, the parties collaboratively worked to come to an agreement on various terms including wage adjustments, both general salary increases and market equity adjustments<sup>1</sup>, acknowledging the establishment of a RMT, a multi-year contract through June 30, 2026, enhanced longevity pay for sworn unit positions to

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<sup>1</sup> Market equity adjustments are typically based on internal benchmarking and/or market analysis. A market analysis is a common exercise in which the City of Petaluma is analyzed in relation to recognized comparable agencies to evaluate how similarly situated positions compare to those in Petaluma.

mirror rank-and-file units (i.e., POAP and IAFF), standby pay for limited local high hazard conditions, absorption of uniform premium into base pay for sworn positions, and non-economics such as contract language cleanup.

Furthermore, the parties reviewed equity adjustments received by bargaining units in PPSMMA’s chain of command and agreed to adjust similarly to avoid compaction<sup>2</sup> between rank-and-file and management positions.

Terms of the successor MOU include:

- A multi-year contract with a term through June 30, 2026;
- General Salary Increases (GSI) as follows:
  - 2023 (First full pay period in July 2023) – 4.0%
  - 2024 (First full pay period following July 1, 2024) – 3.0%
  - 2025 (First full pay period following July 1, 2025) – 3.0%
- Market equity adjustments to apply to sworn Fire unit positions:
  - July 2023 (First full pay period following July 1, 2023)-
    - All Unit 10 Fire - 1.5%
    - Assistant Fire Chief<sup>3</sup> – 2.6%
- Market equity adjustments to apply to sworn Police unit positions:
  - January 2024 (First full pay period in January 2024)- 4.0%
  - July 2024 (First full pay period in July 2024)- 0.5%
- Enhancement of longevity pay for sworn unit positions to assist in staff retention and to maintain parity with POAP and IAFF;
- Limited Standby Pay for specific local high hazard conditions;
- Uniform premium absorbed into base pay for sworn positions;
- Following the establishment of the RMT, each Unit member’s vacation balance will be reduced to 400 hours and accrued but unused vacation hours in excess of 400 hours will be transferred into the member’s RMT account. The transfer will be scheduled to occur in August of each year.

The recommended action ratifies terms of the successor MOU negotiated by the two parties, for Unit 10. All terms are memorialized in the MOU attached as Exhibit A to the Resolution.

## **PUBLIC OUTREACH**

This agenda item appeared on the City’s tentative agenda document on November 20, 2023, which was a publicly noticed meeting.

## **COUNCIL GOAL ALIGNMENT**

The ratification of this action aligns with the City Council Goal of “A City That Works For Everyone.” This objective includes recruiting, hiring, retaining, and advancing a workforce that

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<sup>2</sup> Salary compaction refers to the condition where a higher-level position does not earn enough in relation to their subordinate position. This may result in employees being dis-incentivized from seeking promotions or may later choose to demote to lower-level positions.

<sup>3</sup> The total equity adjustment for the Assistant Fire Chief will be 4.1%.

is diverse, representative, skilled, talented, and prepared to meet the demands of a full-service City.

## **ENVIRONMENTAL REVIEW**

The proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378(b)(4), in that, approving this action does not meet CEQA's definition of a “project,” because the action does not have the potential for resulting either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and because this is a personnel-related action that constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

## **FINANCIAL IMPACTS**

All costs are attributable to the General Fund. Terms with known<sup>4</sup> estimated costs include:

- The annual estimated costs with regard to GSIs as shown above are:
  - 4% GSI in 2023 – estimated cost of \$122,635 in fiscal year 23-24.
  - 3% GSI in 2024 – estimated cost of \$95,655 in fiscal year 24-25.
  - 3% GSI in 2025 – estimated cost of \$98,525 in fiscal year 25-26.
- The estimated cost of market equity adjustments for sworn Fire unit members as shown above is \$20,910 in the first year.
- The estimated cost of market equity adjustments for sworn Police unit members as shown above are:
  - 4% equity adjustment in January 2024 – estimated cost of \$33,435 in fiscal year 23-24.
  - 0.5% equity adjustment in July 2024 - estimated cost of \$8,540 in fiscal year 24- 25.
- Longevity Pay – estimated cost of \$36,885 in the first year.
- Eliminate the uniform premium and absorb it into base pay for sworn positions. The anticipated cost is \$45,990 in the first year.
- Annual vacation transfer to RMT – estimated annual budget impact of \$80,015<sup>5</sup>.

## **ATTACHMENTS**

1. Resolution
2. Exhibit A to Resolution – MOU for Unit 10

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<sup>4</sup> Costs associated with standby pay are typically not known yet for the year.

<sup>5</sup> Accrued vacation is included in salary costs however, an automatic annual transfer/payout of accrued vacation hours results in a budget impact.