



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of December 9, 2025

TO: Members of the City Council

SUBMITTED BY: Dante Hall, City Manager
Edwin Gato, Director of Finance
Kristi Carter, Human Resources Manager

SUBJECT: Approve a Memorandum of Understanding between the City of Hercules and the Hercules Police Officers' Association

RECOMMENDED ACTION:

Adopt a Resolution Approving:

1. A 2025-2027 Memorandum of Understanding between the City of Hercules ("City") and the Hercules Police Officers' Association ("HPOA"); and
2. A Fiscal Year 2025-2026 Master Salary Schedule pursuant to California Public Employees Retirement System ("CalPERS") effective July 6, 2025 (last updated on November 17, 2025).

DISCUSSION:

The existing Memorandum of Understanding ("MOU") between the City and the HPOA expired on June 30, 2025. The City engaged in the meet and confer process with the HPOA with direction and authority provided by the City Council during Closed Session. A tentative agreement was reached with the HOPA for a new two-year term MOU effective July 1, 2025, through June 30, 2027. On November 13, 2025, the HPOA voted to move forward with the TA, confirming its support for proceeding with the successor Memorandum of Understanding.

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A summary of the changes in the 2025-2027 MOU is set forth below:

MOU Article	Summary of Terms
N/A	July 1, 2025 - June 30, 2027 (Two-Year term).
Article X – Compensation, A. Salaries	<p>A three percent (3.0%) Cost of Living Adjustment (“COLA”) to all bargaining unit classifications effective July 6, 2025.</p> <p>A two percent (2.0%) market equity adjustment to all bargaining unit classifications, effective July 6, 2025.</p> <p>A one-time three percent (3.0%) non-pensionable non-recurring retention payment of the employee’s gross annual salary earned in FY 2024-2025.</p> <p>A three percent (3.0%) COLA to all bargaining unit classifications effective July 5, 2026.</p> <p>A two percent (2.0%) market equity adjustment to all bargaining unit classifications, effective July 5, 2026.</p>
Article X – Compensation, G. Bilingual Pay	<p>Adjust bilingual certification incentive pay.</p> <p>Effective December 21, 2025, an employee certified as bilingual shall receive a premium of two percent (2.0%) of base wage per month if they are certified as bilingual.</p>
Article X – Compensation, F. Education Incentive Pay	<p>Adjust education incentive pay.</p> <p>Effective December 21, 2025, two additional benefit tiers will be added to education incentive pay, as follows:</p> <p>Supervisory POST 5.5% of base wage Master’s Degree 6.0% of base wage</p>
Article VI – Hours of Work, D. On Call Pay	Adjust on-call incentive pay.

	<p>Effective December 21, 2025, employees shall be compensated at the following rate for being on-call:</p> <p>\$55.00 per weekday \$60.00 per weekend day \$65.00 per holiday</p>
Article X – Compensation, E. Education Reimbursement	<p>Adjust education reimbursement.</p> <p>Effective July 1, 2025, an employee who is enrolled in a technical/vocational, an associate of arts, bachelor's, or master's degree program which the City determines is in a job-related field may receive reimbursement for tuition and books in an amount not to exceed four thousand dollars (\$4,000) per fiscal year.</p>
Article X – Compensation, L. Uniforms, b. Uniform Allowance	<p>Adjust uniform allowance.</p> <p>Effective December 21, 2025, the City will compensate each employee an additional \$100.00 per month (\$1,200 annually) as payment for uniform maintenance and replacement. Such compensation shall be made semi-annually during the second pay period in January and the second pay period in July.</p>

FISCAL IMPACT:

The approval of the MOU for the 2025-2027 fiscal period will incur both ongoing and one-time expenses.

Furthermore, staff recommends that the City Council authorize an appropriation for a one-time retention payment of 3% (of gross salary in FY 2024-25) in FY 2025-26 for HPOA employees. There are adequate resources available in the General Fund reserve to facilitate these allocations. Below is a comprehensive overview of the ongoing and one-time costs associated with the employees impacted by these approvals.

FY 2025-26

Annualized On-Going Costs	One-Time Costs
\$74,000	\$87,000

FY 2026-27

Annualized On-Going Costs	One-Time Costs
\$152,000	\$0

ATTACHMENTS:

1. Resolution

Exhibit 1: 2025-2027 Memorandum of Understanding between the City of Hercules and the Hercules Police Officers' Association

Exhibit 2: Fiscal Year 2025-2026 Master Salary Schedule effective July 6, 2025
(Last Revised November 17, 2025)