



## CITY OF BANNING STAFF REPORT

**TO:** CITY COUNCIL

**FROM:** Elizabeth Gibbs, City Manager

**PREPARED BY:** Lisa Rossi, Human Resources Director

**MEETING DATE:** March 10, 2026

**SUBJECT:** Consideration of Resolution No. 2026-49 approving the Side Letter Agreement between the City of Banning and the Banning Police Officers Association which modifies and clarifies the Memorandum of Understanding (MOU) governing the unit for the period of March 2024 through March 2027.

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### **RECOMMENDATION:**

Adopt Resolution 2026-49

### **BACKGROUND:**

The City and the Banning Police Officers Association previously negotiated an MOU governing compensation and terms of employment, which the Council approved on August 27, 2024. Under the MMBA, the parties have met and conferred regarding adjustments to the salary schedule originally established for the 2024-2027 period.

The proposed Side Letter modifies the salary adjustment schedule to provide more stability and a slight increase over the original Consumer Price Index (CPI) -based projections. The comparison of the changes is as follows:

<b>Year</b>	<b>Original Adjustment</b>	<b>Proposed Adjustment (Side Letter)</b>
<b>2024</b>	No Increase	No Increase
<b>2025</b>	2.9% (CPI Riverside Jan '25)	4.0% (Increase of 1.1%)
<b>2026</b>	3.6% (CPI Riverside Jan '26)	4.0% (Based on Nov '25 CPI)
<b>2027</b>	CPI Riverside Jan '27	CPI Riverside Nov '26

The transition to using November CPI figures rather than January figures allows the City to finalize budgetary expectations earlier in the fiscal cycle.

### **JUSTIFICATION:**

Section 3505.1 of the Meyers-Milias-Brown Act ("MMBA") (Gov't Code Sections 3500-3511) provides that if an agreement is reached between representatives of a public agency and a recognized employee organization, they shall jointly prepare a written memorandum of such understanding for determination by the governing body. Once approved by the City Council, the memorandum becomes a binding agreement. Council approval of these proposed Side Letter Agreements is required by the MMBA to make the modifications binding on both parties.

**FISCAL IMPACT:**

The proposed action includes a 1.1% salary increase retroactive to March 2025. The estimated fiscal impact of this adjustment is \$56,372 annually. In addition, a 0.4% increase is proposed to amend the previously approved 3.6% increase for 2026, resulting in a total cumulative adjustment of 4%. The estimated fiscal impact of the increase in 2026 is \$24,712. The total cost of 2026 salary adjustment is estimated to be \$247,128 annually. The impacts above will be factored into the 2025-26 budget and proposed 2026-27 budget, as appropriate.

**ALTERNATIVES:**

**BUDGETED?:**

No

**CONTRACT/AGREEMENT:**

No

**ATTACHMENTS:**

1. [Resolution\\_2026-49 BPOA\\_Side letter.docx](#)
2. [Side Letter BPOA 031026.docx](#)
3. [Resolution 2024-129 Rev.pdf](#)