



CITY COUNCIL STAFF REPORT

ITEM NO. 6.13

DATE: July 27, 2026

TO: Honorable Mayor and City Council

FROM: Kristen Hilton, Acting Administrative Services Director

SUBJECT: Adopt a resolution approving two side letter agreements between the City of Livermore and the Livermore Police Management Association amending Article IV (Promotion) and Article X (Supervisory Differential) of the memorandum of Understanding (MOU), effective retroactive to July 1, 2025.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution approving two side letter agreements between the City of Livermore and the Livermore Police Management Association amending Article IV (Promotion) and Article X (Supervisory Differential) of the Memorandum of Understanding (MOU), effective retroactive to July 1, 2025.

SUMMARY

The proposed side letter agreements amend Articles IV (Promotion) and X (Supervisory Differential) of the Livermore Police Management Association MOU. The Article IV amendment provides employees initially promoted into the bargaining unit with a 17.5% increase to base salary upon promotion, replacing the current structure of a 10% promotional increase supplemented by a supervisory differential. The Article X amendment provides that future salary adjustments necessary to maintain the required 17.5% salary differential will be incorporated into base salary rather than paid as a separate supervisory differential. The proposed changes do not increase employee compensation but instead simplify compensation administration by incorporating supervisory differential into base salary and support the reporting of pensionable compensation to CalPERS. The agreements are effective retroactive to July 1, 2025.

DISCUSSION

Under the current MOU, employees promoted into the Police Management bargaining unit receive a 10% promotional increase to base salary. When necessary to maintain the contractual 17.5% salary differential between management employees and the highest-paid subordinate employee, an additional supervisor differential is paid as a separate compensation item. The proposed side letter amending Article IV provides that employees initially promoted into the bargaining unit will receive the full 17.5% promotional increase as base salary, eliminating the need for a separate supervisory differential upon

promotion.

The proposed side letter amending Article X revises the administration of supervisory differential maintenance by providing that any future salary adjustments necessary to maintain the required 17.5% differential will be incorporated into an employee's base salary rather than paid as a separate supervisory differential.

These amendments are intended to simplify compensation administration and align the compensation structure with CalPERS reporting requirements. The amendments do not provide additional compensation or increase the total compensation received by employees; rather, they change the manner in which existing compensation is administered and reported. These side letters apply retroactively to July 1, 2025, consistent with the effective date of the current MOU.

FISCAL AND ADMINISTRATIVE IMPACTS

There are no fiscal impacts associated with these side letters. The side letters do not create additional compensation but instead restructure how existing compensation is administered and reported.

COMMUNITY PILLAR:

5. A City That Works

GOAL:

8. Attract, develop, engage, and retain a diverse and highly skilled workforce across the organization.

ATTACHMENTS

1. Resolution

Exhibit A - Side Letter Agreement Article IV (Promotion)

Exhibit B - Side Letter Agreement Article X (Supervisory Differential)

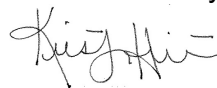
Prepared by: Kristen Hilton
Acting Administrative Services
Director

Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Kristen Hilton
Acting Administrative Services Director