



Agenda Item No: 1.f

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: June 30, 2026

Submitted by: Alice Burnett

From: Human Resources

Subject:

RESOLUTION TO IMPOSE THE CITY'S LAST, BEST, AND FINAL OFFER TO THE PLACENTIA CITY EMPLOYEES' ASSOCIATION PURSUANT TO GOVERNMENT CODE SECTION 3505.7

Financial Impact:

Placentia City Employees' Association:

Total: Estimated \$321,010 for FY 26-27.

Summary:

The City and Placentia City Employees' Association (PCEA) teams have met and engaged in good faith negotiations over the terms of a successor Memorandum of Understanding (MOU). Despite the teams' best efforts, the parties did not reach an agreement on a successor MOU. The parties are at impasse. The attached Resolution amends Resolution No. R-2026-05 and imposes the City's Last, Best, and Final Offer.

Recommended Action:

It is recommended that the City Council:

Adopt Resolution No. R-2026-50, A Resolution of the City Council of the City of Placentia, California, Amending Resolution No. R-2026-05 and Imposing the City's Last, Best, and Final offer to the Placentia City Employees' Association Pursuant to Government Code Section 3505.7.

Strategic Plan Statement:

There is no specific strategic planning goal or objective associated with this agenda item.

Discussion:

The MOU between the City and the PCEA is set to expire on June 30, 2026. City representatives have been in discussion with the labor group representatives since March of this year. The City issued its Last, Best, and Final Offer (LBFO) on May 21, 2026. The association rejected the offer.

Government Code section 3505.7 authorizes the City to implement terms of its LBFO. Section 3505.7 provides:

After applicable mediation and factfinding procedures have been exhausted, but no earlier

than 10 days after the factfinders' written findings of fact and recommended terms of settlement have been submitted to the parties pursuant to Section 3505.5, a public agency that is not required to proceed to interest arbitration may, after holding a public hearing regarding the impasse, implement its last, best, and final offer, but shall not implement a memorandum of understanding. The unilateral implementation of a public agency's last, best and final offer shall not deprive a recognized employee organization of the right each year to meet and confer on matters within the scope of representation, whether or not those matters are included in the unilateral implantation, prior to the adoption by the public agency of its annual budget, or otherwise required by law.

The parties arrived at impasse on June 15, 2026. The Association and City have both declined mediation per the City's Employer-Employee Relations Resolution No. 71-R-153. The Association has declined fact-finding and asked the City to implement its LBFO per Government Code Section 3505.7. This section of the State Code gives the City the ability to unilaterally implement terms that change the status quo following good faith negotiations and impasse. Staff recommends that the City adopt the attached Resolution No. R-2026-50 to implement the terms of the City's LBFO. The adoption will not establish a new agreement, but rather, will change some of the terms and conditions of employment under which the City is currently operating. State Law also provides the Association the right to meet and confer with the City regarding any matters within the scope of bargaining each year before the adoption of the City's annual budget.

In addition to implementing the City's LBFO, the City and Association mutually agree to incorporate minor clean-up language to two (2) sections of the Memorandum of Understanding, which is included in the resolution. These revisions are non-substantive in nature and agreed upon outside the scope of the City's LBFO, and are included as a standard and customary practice to ensure clarity and accuracy of terms and conditions of employment.

SUMMARY OF LAST, BEST AND FINAL OFFER

- Compensation: 2.5% cost of living adjustment for PCEA classifications effective first full pay period following July 1, 2026.
- Memorialization of the Work Schedule and Hours of Work for the Police Records Division.
- Amendment of the PTO Accrual schedule adding a Years of Service accrual at the 7-year mark and increasing the maximum accrual rate to 7.69 hours at the 11+ year mark.
- Holiday Closure pay - continue Holiday leave for the holiday closure for the December 2026-January 2027 holiday period.
- Amending the Education Incentive Program to flat rate incentives for the completion of a degree or special certificate.
- Amending the Tuition and Books Reimbursement program to reimburse a maximum of \$2,500 per employee, per calendar year.
- Memorialization of the practice of Uniform Allowance Reporting of a total \$300 per year over 24 pay periods.
- All other components of the Memorandum of Understanding will remain in full force and effect.

Financial Summary:

The total cost of the implementation of these terms and conditions of employment is estimated

to be \$321,010. This cost is incorporated in the proposed FY 26-27 Budget.

Attachments

[Resolution Imposing Terms and Conditions of Employment PCEA 2026.docx](#)

[Exhibit A to Resolution R-2026-50.pdf](#)