

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF DALY CITY
AND
THE DALY CITY POLICE OFFICERS ASSOCIATION
ON BEHALF OF
THE DALY CITY POLICE MANAGEMENT BARGAINING UNIT

July 1, 2025 through June 30, 2028

The wages, hours and conditions of employment that are set forth in this Memorandum of Understanding (MOU) have been discussed by and between the staff representatives of the City of Daly City (hereinafter called "City") and the representatives of the Daly City Police Officers' Association (hereinafter called "Association") on behalf of the Daly City Police Management Bargaining Unit and shall apply to all employees in the classification of Police Sergeant, Police Lieutenant, Police Captain and Deputy Police Chief.

The wages, hours and conditions of employment that are set forth in this MOU have been discussed in good faith and agreed upon as being an equitable adjustment of present wages, hours and conditions of employment, between the staff representatives of the City and the representatives of the Association. The Association Negotiating committee represents that a majority of the voting represented employees have approved all of the term as set forth herein; and the staff representatives of the City agree to recommend to the City Council that all of the terms set forth herein be adopted in full by the City Council in the manner and procedure prescribed by law.

ARTICLE I – SALARIES

A. Cost of Living Adjustments

- Effective in the first full pay period of July 2025, the salary for all bargaining unit members shall be increased by three percent (3%).
- Effective in the first full pay period of July 2026, the salary for all bargaining unit members shall be increased by three percent (3%).
- Effective in the first full pay period of July 2027, the salary for all bargaining unit members shall be increased by three percent (3%).

B. Equity Adjustments

- Effective in the first full pay period of July 2025, all bargaining unit members shall receive an equity adjustment of two percent (2%).
- Effective in the first full pay period of July 2026, all bargaining unit members shall receive an equity adjustment of one percent (1%).
- Effective in the first full pay period of July 2027, all bargaining unit members shall receive an equity adjustment of one percent (1%).

C. Temporary Duty Pay

The City agrees to recommend to the City of Daly City Personnel Board revision to the *Rules and Regulations of the Classified Service*, Rule XII Transfers, section 6c "A sworn Police

Sergeant, Police Lieutenant, Police Captain or Deputy Police Chief temporarily assigned the duties of a higher rank, not vacant, in excess of **5** working days, whether or not consecutive, shall then receive his/ her permanent salary or the salary of the temporary assignment, whichever is greater.

D. Agreement to Provide Compensatory Time Off (“CTO”)

Employees may elect to accrue Compensatory Time Off in lieu of cash payment for overtime. Compensatory Time Off is accrued at the rate of one and one-half hours per every overtime hour worked. Employees may accrue up to 480 hours of Compensatory Time Off.

E. Minimum Call Back

Whenever an employee is called back to work for less than four (4) hours overtime pay, the employee shall receive a minimum of four (4) hours overtime pay.

ARTICLE II – RETIREMENT

A. Pursuant to the Public Employees’ Retirement System (PERS) contract with the City of Daly City, the following provisions are provided for affected employees:

Classic Employees: For classic employees as defined by California Public Employees Retirement System (PERS) and California Public Employees’ Pension Reform Act of 2013, the contract with the Public Employees' Retirement System will provide the following:

- Section 21363.1 – 3% at Age 55 Benefit Formula
- Section 20042 - One-Year Final Compensation
- Section 21329 - Annual Cost-of-Living Allowance Increase (up to 2%)
- Section 21548 - Pre-Retirement Optional Settlement 2W Death Benefits
- Section 21573 - Third level of 1959 Survivor Benefit
- Section 21024 - Military Service Credit as Public Service
- Section 21023.5 - Public Service Credit for Peace Corps...
- Section 21551 – Pre Retirement Death Benefits to continue after remarriage of survivor
- Section 21620 - \$500 Retired Death Benefit

New Employees: For new employees hired on or after January 1, 2013, as defined by California Public Employees’ Retirement System (PERS) and California Public Employees’ Pension Reform Act of 2013 (PEPRA) the contract with the Public Employees' Retirement System will provide the following:

- Section 21363.1 – 2.7% at Age 57 Benefit Formula
- Section 20037 - Three-Year Average Final Compensation

- Section 21329 - Annual Cost-of-Living Allowance Increase (up to 2%)
- Section 21548 - Pre-Retirement Optional Settlement 2W Death Benefits
- Section 21573 - Third level of 1959 Survivor Benefit
- Section 21024 - Military Service Credit as Public Service
- Section 21023.5 - Public Service Credit for Peace Corps
- Section 21551 – Pre-Retirement Death Benefits to continue after remarriage of survivor
- Section 21620 - \$500 Retired Death Benefit

B. Cost Sharing

Bargaining unit employees shall pay three percent (3.0%) towards the employer share of the PERS contribution, subject to 414(h)(2).

These contributions shall be credited to each member's account as normal contributions in accordance with section 20516(a.)

C. Retiree Medical

1. For employees hired prior to November 14, 2022 who retire from the City with a PERS retirement benefit (defined as an employee who is retiring from the City and taking a service or disability retirement from PERS) the City's contribution to retiree health for eligible employees and qualifying annuitants will be as follows:

Employee Only	\$357.44
Employee + 1	\$357.44
Family	\$357.44

This amount will be increased in subsequent years if required to comply with the PEMCHA minimum.

2. Effective on June 12, 2006, for those employees hired prior to November 14, 2022 and retiring with at least twenty (20) years of full time, regular service with the City of Daly City, the maximum city contribution to retirees' PERS health insurance premiums shall be:

Employee Only:	\$357.44
Employee + 1:	\$415.00
Family:	\$435.00

3. The retiree health benefit for all bargaining unit employees hired on or after November 14, 2022 shall be limited to the PEMHCA minimum.

D. PORAC Retiree Medical Trust

All employees covered by this Agreement shall participate in a retiree medical expense reimbursement plan administered by the PORAC Retiree Medical Trust. The Trust shall be and remain separate and apart from any Employer health insurance funding program.

Employees shall contribute \$350 per month to the Trust, which the employer shall deduct through a payroll deduction. Individuals starting employment with the City in the second pay period of a month shall have the full amount deducted from their initial check; individuals separating from employment in the first pay period of a month shall also have the full amount deducted from their final check. The contribution amount for the Police Management bargaining unit cannot exceed the contribution amount of Police Officer bargaining unit.

Effective the pay period including July 1, 2026, or as soon thereafter as administratively feasible, all represented employees shall increase monthly contributions to the PORAC Retiree Medical Trust by \$25 (\$375 per month total).

Effective the pay period including July 1, 2027, or as soon thereafter as administratively feasible, all represented employees shall increase monthly contributions to the PORAC Retiree Medical Trust by \$25 (\$400 per month total).

To the extent authorized by law, all contributions shall be made on a pre-tax basis. The employee assumes full responsibility and liability for tax consequences related to contributions to and/or withdrawals from the PORAC Retiree Medical Trust. There shall be no employee election or option to take the amount in cash.

Employer Contributions. Effective November 2025, the City will transfer a monthly pre-tax employer contribution of \$100 per month for each employee currently working in the bargaining unit represented by the Association.

Upon retirement of an employee covered by this Agreement, the City will transfer 100% of the employee's vacation leave cash out, into the employee's individual account with the PORAC Retiree Medical Trust, subject to the applicable rules of the Trust and/or the City. The Association has the right to alter the amount of salary deduction or the percentage of vacation leave balance contribution at separation from service during the course of this Agreement, on a uniform basis, for all employees covered by the Agreement, subject to approval of its members according to the Association's bylaws and applicable laws.

The Association shall pay for the administrative costs arising from the enrollment of the Association in the PORAC Retirement Medical Trust. The City shall not be required to pay any fees.

ARTICLE III – BENEFITS

A. Health and Welfare

The City will contribute toward the City sponsored benefit plans during the life of this Memorandum of Understanding as follows:

1. Medical Insurance: The City's monthly contribution to CalPERS for each eligible active employee for the purchase of medical insurance will be

Employee Only	\$357.44
Employee +1	\$357.44
Family	\$357.44

2. Cafeteria Plan Allowance: The City will maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing employees with access to various health and welfare benefits. Benefits available through the Cafeteria Plan include, but are not limited to, medical insurance, flexible spending accounts for out-of-pocket medical expenses and dependent care, dental insurance and life insurance benefits. The City agrees to provide a Cafeteria Plan Allowance to all employees eligible to participate in City-sponsored health benefits under Section A of this Article. Any tax consequences resulting from City contributions to the Cafeteria Plan are the sole responsibility of the employee.

The City shall contribute to the monthly Cafeteria Allowance for eligible employees as follows:

- Employee Only: The City's contribution for employees who elect employee only medical coverage shall be 100% of the Kaiser Bay Area medical premium. This amount is inclusive of the City's direct health contributions in Section A1 above. In the event that the Kaiser rate increases 15% or more in any year, the parties shall split the cost of the rate increase above 15% for the plan year.
- Employee +1: The City's contribution for employees who elect employee only medical coverage shall be 95% of the Kaiser Bay Area medical premium. This amount is inclusive of the City's direct health contributions in Section A1 above. In the event that the Kaiser rate increases 15% or more in any year, the parties shall split the cost of the rate increase above 15% for the plan year.
- Employee +Family: The City's contribution for employees who elect employee only medical coverage shall be 95% of the Kaiser Bay Area medical premium. This amount is inclusive of the City's direct health contributions in Section A1 above.

In the event that the Kaiser rate increases 15% or more in any year, the parties shall split the cost of the rate increase above 15% for the plan year.

From the Cafeteria Plan Allowance, active employees must purchase the following qualified benefits:

- City-sponsored dental/orthodontic insurance
- Police Officer Association-sponsored LTD insurance

Effective January 1, 2026, the City shall contribute \$25 per month toward each employee's mandatory City-sponsored dental premiums.

Effective January 1, 2027, the City shall contribute \$50 per month toward each employee's mandatory City-sponsored dental premiums.

The City agrees to allow affected employees who are paying into the POA-sponsored Long Term Disability insurance coverage to "freeze" any accrued sick leave after meeting the 60-day waiting period as required by POA-sponsored Long Term Disability insurance.

Employees who purchase cafeteria plan benefits with a total cost in excess of their cafeteria allowance must pay the additional amount through payroll deduction.

Employees may purchase life insurance from the cafeteria amount. In the event that additional money is needed to pay for such insurance, the employee shall pay such additional amount through payroll deduction.

For employees hired by the City prior to January 1, 2020, any remaining amounts of Cafeteria Plan Allowance, if any, not used to purchase qualified benefits shall be added to employee wages. Any such amount of Cafeteria Plan Allowance and/or the amount added to wages is not compensation for retirement purposes as defined by the California Public Employees' Retirement System. Cash back is eliminated for all bargaining unit employees hired on or after January 1, 2020.

B. Opt-Out Cash in Lieu

1. Employees hired on or after January 1, 2020 who opt out of the CalPERS medical plan are entitled to a payment of \$500 per month minus the cost of the City sponsored Dental/Orthodontia Insurance if they provide the following: (1) proof that the employee and all individuals for whom the employee intends to claim a personal exemption deduction ("tax family"), have or will have minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California) for the plan year to which the opt out arrangement applies ("opt out period"); and (2) the employee

must sign an attestation that the employee and his/her tax family have or will have such minimum essential coverage for the opt out period. An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year. The opt-out payment cannot be made and the City will not in fact make payment if the City knows that the employee or tax family member doesn't have such alternative coverage, or if the conditions in this paragraph are not otherwise satisfied. Employees and known dependents who do not provide the annual information required will be enrolled in the lowest cost health plan.-This amount is not compensation for retirement purposes as defined by the California Public Employees' Retirement System

2. No Coverage/Waiving Coverage for employees hired before January 1, 2020: Cash in lieu is frozen at \$725 per month minus the cost of the City sponsored Dental/Orthodontia Insurance and the balance shall be added to employee wages. This amount is not compensation for retirement purposes as defined by the California Public Employees' Retirement System. An employee who waives coverage must provide proof of acceptable coverage in compliance with the law as specified in paragraph 1 above. In the event that an employee in this group purchases health insurance from the City's Cafeteria Plan Allowance on or after January 1, 2020, and thereafter elects to waive health coverage in the future, the cash in lieu benefit will be reduced to \$500 per month.

C. Vision Reimbursement Program

Employees and their dependents are eligible for a maximum reimbursement of two hundred dollars (\$200.00) per calendar year for frames or lenses. The reimbursement may be requested every 12 months by completing a reimbursement request form.

- Effective January 1, 2026: the above maximum calendar reimbursement for frames and lenses will increase to three hundred dollars (\$300.00).
- Effective January 1, 2027, the above maximum calendar reimbursement for frames and lenses will increase to three hundred and fifty dollars (\$350.00).
- Effective January 1, 2028, above maximum calendar reimbursement for frames and lenses will increase to four hundred dollars (\$400.00).

D. Bilingual Pay

Effective until January 1, 2026, the City agrees to provide one hundred dollars (\$100.00) per month bilingual pay paid and reported biweekly to those affected employees who become certified eligible for such pay and who are routinely and consistently assigned to positions requiring communication skills in languages other than English.

- Effective January 1, 2026, the bilingual pay for qualified employees will change to three percent (3%) of base salary.
- Effective January 1, 2027, the bilingual pay for qualified employees will increase to three and one quarter percent (3.25%) of base salary.
- Effective January 1, 2028, the bilingual pay for qualified employees will increase to three and one half percent (3.5%) of base salary.

The City will determine the standards and procedures for certification for such pay. The following languages are approved for bilingual pay compensation: Spanish, Tagalog, Mandarin, Cantonese, Korean, Vietnamese, and American Sign Language.

E. Longevity Pay

Subject to the following rules, sworn employees in this bargaining unit will receive longevity pay for years of service in sworn peace officer positions as defined under Penal Code 830.1 with the City or another public agency.

Effective in the first full pay period of July 2025, sworn employees with at least six (6) years of service shall receive longevity pay incentive equal to two and one-half percent (2.5%) of base pay.

Effective in the first full pay period of July 2026, sworn employees with at least 10 years of service shall receive an additional longevity pay incentive equal to two and one-half percent (2.5%) of base pay (5% total).

Effective in the first full pay period of July 2027, sworn employees with at least 14 years of service shall receive an additional longevity pay incentive equal to two and one-half percent (2.5%) of base pay (7.5% total).

The Deputy Police Chief classification is entitled to an additional two- and one-half percent (2.5%) of base salary after completion of fifteen (15) years of service with the City ("Longevity Pay").

F. Uniform Allowance

Effective January 1, 2023, the uniform allowance equal to \$1,000.00 per year is paid in equal installments of \$38.47 per pay period. Effective January 1, 2026, the uniform allowance will increase to \$1,200 per year, to be paid in equal installments of \$46.15 per pay-period. The value of the uniform allowance is reported to CalPERS as compensation subject to retirement contributions for employees in classic retirement tiers (not PEPRA). In the event that the City requires any new article of clothing or equipment to be worn or used by bargaining unit

members, then the City shall provide said article or equipment at no original cost to the employee. Maintenance or replacement of said article or equipment shall be the responsibility of the employee, except for safety equipment.

In addition to the safety equipment provided by the City as of December 31, 1986, the City agrees to furnish at no cost to the employee, flashlights, rain gear and, for personnel assigned to motorcycles, the following motorcycle equipment: boots, pants, leather jacket, gloves and protective eye wear. Said equipment shall remain the property of the City.

G. Holiday Pay

Bargaining unit members other than the Deputy Police Chief shall receive eight percent (8%) of compensation in lieu of observing City holidays. Holidays are set as 8 hours unless otherwise designated. The Deputy Police Chief is entitled to paid time off on each City-recognized holiday as follows:

New Year's Day	
Martin Luther King, Jr. Birthday	
President's Birthday	
Memorial Day	
Juneteenth	
Independence Day	
Labor Day	
Veteran's Day	
Thanksgiving Day	
Day after Thanksgiving Day	
Christmas Eve	(4 hours)
Christmas Day	
New Year's Eve	(4 hours)

Such payments shall be made on December 1 and June 1. Reporting of Holiday in Lieu Pay for retirement purposes shall conform to CalPERS regulations requiring reporting of Holiday in Lieu Pay allocated to each biweekly pay period.

H. Two Hour Personal Leave

City agrees to provide affected employees two (2) hours of personal leave to be taken at any time during the calendar year that is agreeable to the employee and the employee's department head in lieu of the employee taking two (2) hours of holiday time off on the Friday before Easter. Said two (2) hours personal leave shall be taken each year pursuant to the above conditions and shall not accrue from year to year.

Effective with the 2009 accrual an employee shall not accrue Personal Leave; however the employee's Personal Leave accrual shall be transferred to the Association Release Time Bank.

I. Vacation

Affected classifications shall be eligible to accrue paid leave as vacation at a rate in accordance with the following schedule:

Completed Years of Employment	Vacation Schedule
1 through 4	112 hours
5 through 12	144 hours
13 through 20	184 hours
21 or more	224 hours

Lateral Vacation Accrual: Effective prospectively for existing employees and new hires following approval of this Agreement, all years of law enforcement experience as a peace officer (Penal Code section 830.1) shall be credited towards employee vacation accrual benefits (i.e., “Completed Years of Employment” in the chart above).

The Deputy Police Chief classification is eligible to cash out four weeks of accrued vacation time (160 hours) per year at their base hourly rate at the time of the cash out, consistent with applicable IRS requirements.

J. Bereavement Leave

A maximum of 5 working days may be taken for Bereavement leave.

K. Court Time

Effective June 23, 2008 affected classifications represented by Police Management Association who are required to be present in court during their off duty hours for criminal and traffic cases arising from the performance of their duties, shall be compensated at time and one-half for the actual hours present in court and, that for appearances when the actual time is four hours or less, the compensation will be four hours at time and one-half. Upon adoption, the City agrees to provide up to a maximum of three (3) hours pay at straight time to off-duty Police Management Association who “stand by” to appear in court in performance of their duties for criminal and traffic cases at the direction of the District Attorney’s Office. If an off-duty Police Officer on standby is required to actually be present in court, the provision for the four (4) hour minimum pay at time and one-half will replace the Standby Time in full as described above. Court time shall not apply when the court appearance commences during a bargaining unit member’s scheduled shift and continues beyond the unit member’s end of shift.

July 1, 2000 is the effective date from which applicable accruals will be calculated for one-time only qualification. The practice of receiving one (1) hour of straight time compensation for each working day served in a temporary assignment during a yearly qualifying period will end no later than the effective date of ratification of the Memorandum of Understanding.

L. Specialty Pay

Police Sergeants assigned to the following special assignments shall receive a four-percent (4%) specialty pay premium:

- Police Juvenile/Community Officer [Juvenile/Community Officer Premium]
- Police Station Supervisor [Lead Worker/Supervisor Premium]
- Police Detective Division (Investigations/Task Force/Crime Suppression Unit) [Detective Division Premium]
- Canine Unit (Canine Handlers only), [Canine Officer/Animal Premium]
- Range Master (Full time) [Rangemaster Premium]
- Professional Standards (Internal Affairs and Training) [Police Administrative Officer Premium]
- Police Motorcycle Officer assignments (or supervision thereof) [Motorcycle Patrol Premium]

Nothing in this section alters the Department's right to assign (and reassign) sergeants to assignments that do not include a special assignment. Specialty pay shall cease in the first full pay period following reassignment in the event that a unit member is no longer assigned to a specialty assignment.

ARTICLE IV – EDUCATIONAL/POST INCENTIVE PROGRAM

This benefit does not stack. The maximum educational/POST incentive for affected classifications shall be 10%.

Level One Incentive 5%: Achievement of Intermediate POST certificate

Level Two Incentive 7.5%: Achievement of Advanced POST certificate

Level Three Incentive 10%: Possession of Master's Degree from an accredited institution.

Employees shall be compensated under the Educational/POST Incentive Program from the date they are eligible or the date they apply for their POST Intermediate or Advanced Certificate **and** following completion and processing of the Request for Educational Incentive/POST Incentive Pay form, whichever is later.

Employees requesting Level Three Incentive pay shall submit a Request for Educational Incentive/POST Incentive Program form. The Level 3 Educational Incentive Pay will become effective on the first day of a payroll period following approval by Human Resources.

Crisis Intervention Training (CIT) Incentive Pay:

The National Alliance on Mental Illness (NAMI) Crisis Intervention Team (CIT) programs provide specialized training to help improve interactions between law enforcement and those living with a mental illness. These principles have been incorporated into available POST-certified training courses to assist sworn personnel in the performance of their duties; a 40-hour basic CIT course as well as a CIT Intermediate 24-hour class that meets the requirements of Penal Code section 13515.

- a. In recognition of the fact that law enforcement personnel are routinely and consistently exposed to uniquely hazardous conditions arising from interactions with members of the community in crisis, and the benefits attributable to specialized training intended to enhance sworn personnel's ability to perform the hazardous and specialized mental health related law enforcement duties, effective the first full pay period following receipt of the request for CIT Pay by the Police Chief employees in represented classifications who have completed the basic CIT course will receive a premium in the amount of two percent (2%) of base pay.
- b. Employees in represented classifications who have completed a CIT Intermediate course will receive a premium in the amount of two percent (2%) of base pay (total of 4% [2% Basic + 2% Intermediate]).

ARTICLE V - ADMINISTRATIVE PROVISIONS

A. Administrative Leave Time:

Captains – one hundred two (102) hours per year
Lieutenants - ninety-two (92) hours per year
Sergeants - sixty-two (62) hours per year

- B. For Police Officers promoted to Police Sergeant, the approximate 5% increase will be calculated on the Police Officer's current biweekly salary step; the current biweekly flat dollar difference between the Police Officer Cafeteria Flexible Benefits amount and the Police Management Cafeteria Flexible Benefits amount will then be added to determine the applicable promotional salary step. This will account for Police Management Association's conversion of flexible benefit flat dollar amounts to salary in 2000 and 2001.

C. Grievance Procedure

DEFINITION

A grievance is defined as a condition that exists as a result of an unsatisfactory adjustment or failure to adjust a claim or dispute by an employee or employees relative to the application or interpretation of The Rules and Regulations of the Classified Service, Departmental Rules and

Regulations, Memorandum of Understanding, established procedures and policies of the City or Department (whether written or oral) or omissions as to the facts pertaining to a disciplinary matter.

The following shall not be considered a grievance: the means, manner, method or merit of any service or activity provided by law or executive order, collective issues of salary, fringe benefits or working conditions subject to meeting and conferring; and disciplinary action.

No matter shall be considered a grievance until it is first taken up verbally by the employee and/or a representative of his/her choice with his/her immediate supervisor. (In those situations where the nature of the problem involves the immediate supervisor or higher, the problem will be discussed with a supervisor in the next higher rank.)

All grievances shall proceed in accordance with the following:

Step A -An employee who believes that he/she has a grievance shall take up such grievance with his/her immediate supervisor within 24 calendar days of the occurrence of knowledge of the alleged grievance. If the employee fails to do so within such time limit, the alleged grievance may not thereafter be taken up.

The supervisor with whom the problem is discussed shall give a reply within five (5) calendar days. If the aggrieved is not satisfied with the decision, the following step will be taken.

Step B -The grievance may be reduced to writing and submitted to the next higher level of command. The supervisor that receives a grievance will make every possible effort to resolve the problem through discussion with the aggrieved and/or his or her representative, other persons involved, investigation of all the facts, etc., and shall submit a written decision to the aggrieved within five (5) calendar days of receipt of the written grievance. If upon the receipt of the written decision, the aggrieved takes no further action within five (5) calendar days, the grievance will be assumed to be settled. If the aggrieved feels that the decision does not resolve the problem, he or she may proceed to Step C.

Step C -The aggrieved shall submit a copy of the written grievance along with a copy of the written decision and/or other pertinent facts, to the next higher level of command. The same procedures as outlined in Step B, including the five (5) calendar-day limit, will be followed at this level of appeal. If the problem is not resolved, Step C, including the five (5) calendar-day time limit, may be repeated up each succeeding step in the chain of command until the Chief of Police receives the grievance. The Chief of Police will render a written decision on the grievance within five (5) calendar days. If at this point the aggrieved feels that the grievance has not be resolved, the aggrieved may appeal the decision of the Chief of Police to the City Manager as outlined in The Rules and Regulations of the Classified Service and/or Memorandum of Understanding.

Step D -Within seven (7) calendar days after receipt of the grievance by the City Manager, there shall be a meeting between the aggrieved employee and/or the Union Business Representative and the City Manager or his/her representative, in an attempt to settle the matter. Within five (5) working days following such meeting, the City Manager shall make a written reply to the grievant.

Step E -If the grievance has not been settled by the procedure described, the grievance may within seven (7) calendar days be submitted to the Daly City Personnel Board, if eligible under The Rules and Regulations of the Classified Service then in effect and in accordance with paragraph F below, or to advisory arbitration in accordance with paragraph G below. The grievant has the right to select the Personnel Board process or advisory arbitration for the appeal, but may not do both.

Step F -The City Council shall act upon the recommendation of the Personnel Board within thirty (30) calendar days following the date of their receipt of the recommendation.

Step G – Advisory Arbitration. If the grievant is dissatisfied with the decision of the City Manager in Step D, the grievant may appeal the grievance to advisory arbitration.

The request for advisory arbitration must be given in writing to the City Manager by the grievant within ten (10) working days from the date of the Step D answer.

An arbitrator may be selected by mutual agreement between the grievant's representative and the City's representative. Should the representatives fail to mutually agree on a arbitrator, they shall make a joint request to the California State Conciliation and Mediation Service, the American Arbitration Association, or some other source mutually agreed upon, for a list of five (5) qualified arbitrators. The parties shall each strike two (2) names from the list and the remaining person shall be accepted as the arbitrator. The first party to strike shall be determined by the flip of a coin.

The jurisdiction and authority of the arbitrator so selected and the opinions the arbitrator expresses will be confined exclusively to the interpretation of the express provision or provisions of the MOU or Rules and Regulations of the Classified Service at issue between the parties. The arbitrator shall have no authority to add to, subtract from, alter, amend, or modify any provisions of the MOU or Rules and Regulations of the Classified Service or impose any limitations or obligations not specifically provided for under the terms of the MOU or Rules and Regulations of the Classified Service.

The arbitrator shall be without power or authority to recommend any decision that would require the City or the administration to do an act prohibited by law.

The fees of the arbitrator will be born equally by the employee or employee association and the City. However, the City will reimburse up to \$15,000 towards the Police Management Association cost of arbitration in cases where the City Council goes against the advisory recommendation to the detriment of the employee or Association.

ARTICLE VI - GENERAL PROVISIONS

A. Compensatory Time Pay-Out Practice

The "Request for Pay Form", attached as Appendix B, which reflects the pay-out practice currently being followed in the Police Department, will continue to be used during the duration of this MOU.

B. Sick Leave Accrual

Sick leave accrual maximum shall not apply to sworn police personnel. Effective on ratification of the July 1, 2005 MOU, the maximum pay out of 50% accumulated, unused sick leave at the time of retirement, death or abolishment of position remains at a cash value not to exceed nine hundred (900) hours of pay.

For employees hired on or after July 1, 2019, there will be no sick leave accrual pay out. The City will incorporate this change in the Rules and Regulations of the Classified Service.

C. Retiree Health Savings for Employees hired before July 1, 2019

A retiring employee shall place 100% of eligible Sick Leave Cash Out into the City-sponsored Retiree Health Savings Account. Eligible sick leave cash out is 50% of accumulated, unused sick leave at the time of retirement, death or abolishment of position at a cash value not to exceed nine hundred (900) hours of pay. Each eligible sick leave hour will be cashed out at the employee's hourly rate in effect at the time of the cash out.

As specified above, this provision does not apply to employees hired on or after July 1, 2019.

D. Labor/ Management Committee

1. The City and the Union will designate a subcommittee to meet and confer on changes to the Personnel Rules that are within the scope of bargaining and are non-economic. Nothing would be changed of an economic nature (mandatory economic subject of bargaining) without mutual agreement of the parties.
2. The parties expressly agree to participate in the formulation/agreement of a Drug Testing Policy.

ARTICLE VII – HISTORICAL ACTIONS

- A. Effective July 1, 1972, the contract with the Public Employees' Retirement System provided for the California Highway Patrol pension option (2% at 50) for the Daly City Police Department.
- B. Effective July 1, 1981, longevity pay for Police Captains and Police Lieutenants was discontinued.
- C. Effective July 1, 1982, the contract with the Public Employees' Retirement System provided Section 20024.2 (one year highest compensation) to the classifications represented by the Association.
- D. Effective July 1, 1985, the educational incentive amounts for Police Captain and Police Lieutenant were adjusted. However, for any Lieutenant or Captain who did not qualify for educational incentive pay on July 1, 1985, equivalent to that received as of June 30, 1985, he/she continued to receive that percentage of incentive pay until such time as he/she qualified for the higher rate of incentive pay provided above.
- E. Effective July 1, 1987, the educational incentive amounts for Police Sergeant were adjusted. For any Sergeant who did not qualify for educational incentive pay on January 1, 1987, equivalent to that received as of December 31, 1986, he/she continued to receive that percentage of incentive pay until such time as he/she qualified for the higher rate of incentive pay provided above.
- F. Effective December 1, 1989, the City contracted with the Health Benefits Division of the California Public Employee Retirement System (CALPERS) to administer health insurance programs for its active employees under the stipulations of Government Code Section 22825, 22825.6 and 22857. The City contributes to PERS medical insurance programs for its retired employees as well as its active employees following the formula for contributions to retirees who have CALPERS medical insurance programs:
“ . . . the monthly contribution for annuitants shall be annually increased by an amount not less than 5 percent of the monthly contribution for employees, until such time as the amounts are equal; . . . ”
Current amounts for single-party, two-party and family contributions for eligible annuitants are available in Human Resources.
- G. Effective January 1, 1993, the contract with the Public Employees' Retirement System Section 21382.4, provided the third level of 1959 Survivor Benefit, for affected employees.
- H. Effective in the first pay period that began after April 25, 1994, affected classifications began accruing vacation at a rate reflecting three (3) additional days per scheduled year. This additional vacation accrual was in exchange for eliminating the Admission Day, Columbus Day, and Birthday holidays.

- I. Effective September 1, 1995, the On-Call Lunch Premium (one-half of one percent of base salary) was eliminated for affected employees. In recognition of the elimination of the On-Call Lunch Premium, the City agreed to provide one-half of one percent (0.5%) to affected employees' base salary.
- J. Effective September 1, 1995, the Association and the City agreed to eliminate the minimum rank differential between top step Police Officer and top step Police Sergeant as referenced in the MOU between the City and the Association for the period April 1, 1994 through May 31, 1995.
- K. Effective January 1, 2000, the Association and the City agreed that the \$550 per month provided as Cafeteria/Flexible Benefits would be reduced by \$100 per month and that \$100 per month would be converted to biweekly salary for all classifications represented by the Police Management Association. Effective January 1, 2001, the Cafeteria/Flexible Benefits amount was reduced by an additional \$100 per month which was converted to biweekly salary for all classifications represented by the Police Management Association.

ARTICLE VIII – DURATION

- A. Except as specifically provided, the effective date of this Memorandum of Understanding is upon ratification by both parties.
- B. The term of this Memorandum of Understanding shall be from July 1, 2025 through June 30, 2028.

ARTICLE IX - COOPERATION BETWEEN PARTIES

- A. The Association and its members agree to continue to actively pursue and jointly cooperate with the City to increase performance and productivity on the job and to bring the Department's equipment to acceptable modern standards.
- B. Agree to continue to cooperate with the Chief in the development of a cohesive management team.
- C. Continue to take affirmative actions to encourage individual safety practices by members, particularly as regards vehicular operations, and jointly cooperates with the City in any improved safety programs addressing the reduction of injuries or vehicular accidents on the job.

- D. It is hereby agreed by the parties that this Memorandum of Understanding provides for the amicable adjustment of wages, hours and conditions of employment. Each party hereby gives full faith and recognition to The Rules and Regulations of the Classified Service, the Municipal Code of the City of Daly City, and the laws of the State of California (including equal employment and fair employment statutes), and shall fully respect the rights, obligations and privileges reserved to the other by such rules, regulations and laws. The Association agrees that during the term of this Memorandum of Understanding, there shall be no strike, no picketing, stoppages of work for any cause, no work slowdowns, interruption of the normal conduct of the City's business, or any other job action by any of its members. The City agrees that during the term of this Memorandum of Understanding it will not engage in any lockout of its employees.

ARTICLE X – SIGNATORIES

Signatories to the Memorandum of Understanding between the City of Daly City and the Daly City Police Management Association for July 1, 2025 through June 30, 2028.

STAFF REPRESENTATIVES OF THE CITY
OF DALY CITY

 01/06/26

Natalie Sakkal Date
Director of Human Resources

 01/06/26

Timothy Nevin Date
Assistant City Manager/Interim
Director of Finance & Administrative Services

REPRESENTATIVES OF THE DALY CITY
POLICE MANAGEMENT
ASSOCIATION

 12/11/25

Matthew Martin Date
DCPOA President

 12/11/25

Lee Aquila Date
DCPOA Negotiator

APPENDIX A - BIWEEKLY SALARY SCHEDULE
POLICE MANAGEMENT ASSOCIATION

Effective the first full pay period of July 2025

Range			STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
B 235			6079.79	6383.78	6702.97	7038.12	7390.02
A - POLICE SERGEANT							
	Level 1	5.0%	303.99	319.19	335.15	351.91	369.50
	Level 2	7.5%	455.98	478.78	502.72	527.86	554.25
	Level 3	10.0%	607.98	638.38	670.30	703.81	739.00
B 240			7023.14	7374.29	7743.01	8130.16	8536.67
A - POLICE LIEUTENANT							
	Level 1	5.0%	351.16	368.71	387.15	406.51	426.83
	Level 2	7.5%	526.74	553.07	580.73	609.76	640.25
	Level 3	10.0%	702.31	737.43	774.30	813.02	853.67
B 245			7884.58	8278.81	8692.75	9127.39	9583.75
A - POLICE CAPTAIN							
	Level 1	5.0%	394.23	413.94	434.64	456.37	479.19
	Level 2	7.5%	591.34	620.91	651.96	684.55	718.78
	Level 3	10.0%	788.46	827.88	869.27	912.74	958.38
B 250			8673.04	9106.69	9562.02	10040.12	10542.13
A - DEPUTY POLICE CHIEF							
	Level 1	5.0%	433.65	455.33	478.10	502.01	527.11
	Level 2	7.5%	650.48	683.00	717.15	753.01	790.66
	Level 3	10.0%	867.30	910.67	956.20	1004.01	1054.21

**APPENDIX A -I BIWEEKLY SALARY SCHEDULE
POLICE MANAGEMENT ASSOCIATION**

Effective the first full pay period of July 2026

Range			STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
B 235			6322.98	6639.13	6971.09	7319.64	7685.62
A - POLICE SERGEANT							
Level 1	5.0%		316.15	331.96	348.55	365.98	384.28
Level 2	7.5%		474.22	497.93	522.83	548.97	576.42
Level 3	10.0%		632.30	663.91	697.11	731.96	768.56
B 240			7304.06	7669.26	8052.73	8455.36	8878.13
A - POLICE LIEUTENANT							
Level 1	5.0%		365.20	383.46	402.64	422.77	443.91
Level 2	7.5%		547.80	575.19	603.95	634.15	665.86
Level 3	10.0%		730.41	766.93	805.27	845.54	887.81
B 245			8199.96	8609.96	9040.46	9492.48	9967.10
A - POLICE CAPTAIN							
Level 1	5.0%		410.00	430.50	452.02	474.62	498.36
Level 2	7.5%		615.00	645.75	678.03	711.94	747.53
Level 3	10.0%		820.00	861.00	904.05	949.25	996.71
B 250			9019.96	9470.96	9944.50	10441.73	10963.81
A - DEPUTY POLICE CHIEF							
Level 1	5.0%		451.00	473.55	497.23	522.09	548.19
Level 2	7.5%		676.50	710.32	745.84	783.13	822.29
Level 3	10.0%		902.00	947.10	994.45	1044.17	1096.38

APPENDIX A-2 BIWEEKLY SALARY SCHEDULE

POLICE MANAGEMENT ASSOCIATION

Effective the first full pay period of July 2027

Range			STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
B 235			6575.90	6904.70	7249.93	7612.43	7993.05
A - POLICE SERGEANT							
	Level 1	5.0%	328.80	345.23	362.50	380.62	399.65
	Level 2	7.5%	493.19	517.85	543.74	570.93	599.48
	Level 3	10.0%	657.59	690.47	724.99	761.24	799.30
B 240			7596.22	7976.04	8374.84	8793.58	9233.26
A - POLICE LIEUTENANT							
	Level 1	5.0%	379.81	398.80	418.74	439.68	461.66
	Level 2	7.5%	569.72	598.20	628.11	659.52	692.49
	Level 3	10.0%	759.62	797.60	837.48	879.36	923.33
B 245			8527.96	8954.36	9402.08	9872.18	10365.79
A - POLICE CAPTAIN							
	Level 1	5.0%	426.40	447.72	470.10	493.61	518.29
	Level 2	7.5%	639.60	671.58	705.16	740.41	777.43
	Level 3	10.0%	852.80	895.44	940.21	987.22	1036.58
B 250			9380.76	9849.79	10342.28	10859.40	11402.37
A - DEPUTY POLICE CHIEF							
	Level 1	5.0%	469.04	492.49	517.11	542.97	570.12
	Level 2	7.5%	703.56	738.73	775.67	814.45	855.18
	Level 3	10.0%	938.08	984.98	1034.23	1085.94	1140.24

APPENDIX B - REQUEST FOR PAY FORM

To: CITY MANAGER
City of Daly City

Date _____

Re: Request for cash payment for accumulated time:

A. I request to be paid for _____ hours of "other" accumulated time presently due me.

I request this be paid on the paycheck of _____.

This form must be submitted by 10:00 A.M. on Monday of the payday week to be processed for the upcoming paycheck.

Name: _____

Signed: _____

Approved - Department Head

Approved - City Manager

Distribution after approved by City Manager:

Oc: Payroll

Cc: Chief's Office

Distributed on _____

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Revised 10-25

APPENDIX C - DISCIPLINARY APPEAL PROCEDURE

The City's disciplinary appeal procedure provides for an evidentiary hearing before the Personnel Board. The Board has the authority to make an advisory recommendation to the City Council. The City Council has final authority.

A. Personnel Board Appeal Hearing

1. If, within the five (5) day appeal period, the employee involved does not file an appeal, unless good cause for failure is shown, the action of the City Manager or Department Head shall be considered final and binding.
2. If, within the five (5) day appeal period the employee files an appeal as specified in the Letter of Disciplinary Action by sending a letter to the City Manager and copy to the Director of Human Resources, the City Manager shall instruct the Director of Human Resources to request the Personnel Board set an appeal hearing.
3. At its next regular or special meeting, the Personnel Board shall set a hearing date which shall not be more than sixty (60) days from the date of the filing of the employee's appeal. All interested parties shall be notified in writing of the date, time and place of the hearing at least ten (10) days prior to the date of the hearing.
4. All hearings shall be open unless the employee requests a closed hearing.
5. The Chairperson of the Personnel Board shall issue subpoenas at the request of either the City or the appealing employee prior to the commencement of the hearing. Subpoenas must be served at least twenty-four (24) hours prior to the time attendance is compelled.
6. The hearing need not be conducted according to technical rules relating to evidence and witnesses, except hereinafter provided. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rules which might make improper the admission of the evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence, but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the hearing, and irrelevant and unduly repetitious evidence shall be excluded.
7. The Chairperson of the Personnel Board shall rule on the admission or exclusion of evidence.
8. Each party shall have these rights:
 - a) To be represented by legal counsel or other person of the party's choice
 - b) To call and examine witnesses
 - c) To introduce evidence

- d) To cross examine opposing witnesses on any matter relevant to the issues
 - e) To impeach any witness regardless of which party first called the witness to testify
 - f) To rebut the evidence against them
9. Oral evidence shall be taken only under Oath.
10. The hearing shall proceed in the following order unless the Chairperson, for special reason, otherwise directs:
- a) The City shall be permitted to make an opening statement.
 - b) The employee shall be permitted to make an opening statement.
 - c) The City shall present its case in chief.
 - d) The employee may then present a defense and offer evidence in support.
 - e) The parties may then, in order respectively, offer rebutting evidence, unless the Chairperson of the Board for good reason permits them to offer evidence upon their original case
 - f) Closing arguments or briefs shall be permitted at the discretion of the Chairperson of the Personnel Board.
11. The Personnel Board shall determine the relevance, weight and credibility of testimony and evidence and shall base their findings on the preponderance of evidence.
12. The Personnel Board shall render its "Findings, Recommendations and Conclusions" as soon as possible after the conclusion of the hearing and no later than ten (10) days after conducting the hearing unless otherwise stipulated by the parties. The Board's Decision shall set forth the recommendations as to each of the charges and the reasons therefore.
13. The Personnel Board may recommend to the City Council the sustaining or rejecting of any or all of the charges filed against the employee. The Board may recommend sustaining, rejecting, or modifying the disciplinary action invoked against the employee.

B. City Council Appeal Hearing

The decision of the Personnel Board is **advisory** only. The proposed decision shall be filed with City Council and served on the employee. If a suspension, dismissal or demotion is not sustained by the City Council, they shall set forth the recommended effective date the employee is to be reinstated, which may be any time on or after the date the disciplinary action went into effect. If the Council does not sustain or modifies a suspension, they shall set forth the effective dates of the modification, which may be any time on or after the date the suspension went into effect.

The matter is set before City Council at the next scheduled meeting that falls more than five days from the filing of the proposed decision. The City Council hearing shall be open unless the employee requests a closed hearing. The hearing shall consist of summary arguments by the City's representative and the employee's representative.

The City Council may recess to Closed Session to deliberate after the presentation of the summary arguments. The City Council announces in Public Session its determination; it may affirm, deny, or modify the Personnel Board's recommendation. The determination of the City Council is final and binding.