

City of Lathrop

MOU & Compensation Plan Highlights

JUNE 8, 2026
CITY COUNCIL REGULAR MEETING





Overview

- Current Memorandums of Understanding are scheduled to expire on June 30, 2026.
- The City completed meet-and-confer negotiations in good faith with recognized employee groups.
- Council is asked to approve successor agreements and compensation plans, except LPOA at this time.
- The actions are intended to support recruitment, retention, operational continuity and predictable labor costs.



Agreements for Council Consideration

SEIU Local 1021

Ratified successor MOU presented for Council approval.

LMCEA

Ratified successor MOU presented for Council approval.

Department Heads & Unrep (Non-Sworn)

Compensation and benefits plan updates aligned with City practice and Council direction.

Unrepresented Sworn

Two-year cost of living adjustments and tiered medical contribution

City Council Benefits

Proposed monthly auto allowance for official City-related vehicle use.



Shared Compensation & Benefit Provisions

Two-Year Term

July 1, 2026 through
June 30, 2028

COLA

4% in July 2026
4% in July 2027

Health Contributions

Employee + One:
+\$200/month
Employee + Family:
+\$300/month

-
- **Standby pay increase**
From \$3.00 to \$5.00 per hour for eligible groups.
 - **Bilingual pay**
\$60 per pay period for eligible SEIU and LMCEA positions.
 - **Administrative cleanup**
Clarifies plan language and supports consistent implementation.



Group-Specific Highlights

Group	Selected Highlights
SEIU	Extended-hours rest period; boot allowance (now includes insoles) up to \$350; union release time; cafeteria and sick leave revisions.
LMCEA	Vacation buy-back increased up to 60 hours annually; retiree medical cleanup; sick leave clarification; updated classifications.
Dept. Heads & Unrepresented	Additional management leave by years of service; education incentive; sick leave cash-out at retirement; \$5,000 deferred compensation contribution.
Unrepresented Sworn	Two-year compensation plan with COLA and tiered health contribution updates.



LPOA Status & Sworn Recruitment Incentive

- **LPOA successor MOU is not before Council at this time.**
The tentative agreement was not ratified by LPOA membership.
 - **The City will continue addressing negotiations with LPOA.**
Next steps will proceed in accordance with labor relations requirements.
-

Proposed Recruitment Incentive Update

\$5,000 signing bonus split after FTO completion





Fiscal Impact

- Fiscal impact is reflected in the attached budget amendment table, with an all-fund Citywide impact of \$650,900.
- The agreements are financially sound based on conservative revenue projections and review of anticipated expenditures.
- The agreements can be implemented without compromising service levels, reserve targets, or long-term fiscal stability.
- The City is projected to maintain a structurally balanced operating budget throughout the term.



Recommended Council Actions

- Adopt the resolution approving the ratified MOUs and compensation plans.
- Authorize the Mayor and City Manager to execute applicable agreements.
- Approve City Council benefits, the updated Grade Step Table, and related appropriations.
- Authorize implementation of the approved compensation and benefit provisions.

Council action will establish the terms and conditions of employment for the new agreement term and support continuity in City operations.