

STAFF REPORT

Consent Agenda Item

DATE: November 17, 2025

TO: Honorable Mayor and Council Members

FROM: Amy Nilsen, City Manager

SUBJECT: **Approve the Side Letter to the Memorandum of Understanding between the City of Fortuna and the Fortuna Police Employees Association for 2025-2027; and Authorize the City Manager to Execute**

STAFF RECOMMENDATION:

Approve the side letter to the Memorandum of Understanding between the City of Fortuna and the Fortuna Police Employees Association for 2025-2027; and the Authorize the City Manager to Execute.

EXECUTIVE SUMMARY:

As of this writing, the Fortuna Police Department has 3 vacant Police Officer positions out of 13, which have been difficult to fill likely due to the significant wage disparity among neighboring jurisdictions, and as documented in an April 21, 2025 staff report. This leaves 16 sworn personnel available to provide 24/7 coverage, two of which are the Police Chief and Lieutenant who typically perform administrative assignments. Of the 10 filled Police Officer positions, one Police Officer is on long-term leave. The remaining 9 Police Officers and 4 Sergeants have to provide public safety coverage on a 24/7 basis. This has led to significant amounts of documented overtime, upwards of 77 plus hours of overtime in a pay period for a single officer.

In addition to the significant levels of overtime, the retention of long-term sworn public safety staff has reached a critical concern as seasoned staff have been approached by neighboring jurisdictions offering increased wages and less overtime. Losing long-term sworn staff leaves a substantial void in experience and increases concerns about Police Officer safety and the safety of the community at large.

As a result of the significant levels of overtime, Police Officer vacancies, and the retention concerns of long-term sworn staff, the City Council has authorized a side letter to the Fortuna Police Employee Association Memorandum of Understanding (MOU) to increase the wages of Police Officer and Sergeant positions as documented below, in order to improve recruitment and retention issues of sworn staff in the Fortuna Police Department.

BACKGROUND:

Police Officer and public safety are primary concerns when a city is confronted with recruitment and retention issues. An inability to recruit qualified sworn staff has led to exorbitant and unsustainable hours of overtime. It is imperative that sworn officers remain physically and mentally alert to make split second life or death decisions. Placing an overworked officer in a high-

risk situation without adequate sworn backup is dangerous for the officer and the public. This also increases municipal liability.

To provide context on Fortuna's current sworn staffing level, the below table compares Fortuna's staffing ratio to neighboring communities based on 2020 U.S. Census data:

Community	Population (2020)	Sworn Officers	Officers per 1,000 Residents
Fortuna	12,516	19	1.52
Ferndale	1,398	5	3.58
Rio Dell	3,379	6	1.78

Additionally, a national benchmark, the Federal Bureau of Investigation (FBI) Uniform Crime Reporting Program reports that the nationwide average for sworn police officers is 2.4 per 1,000 residents. In order to meet the national average of 2.4 officers per 1,000, the Fortuna Police Department would require a sworn staff of 31 officers, 12 additional sworn positions beyond the current staffing level.

24/7 police service in Fortuna, due to its population size and call volume, is beyond the scale where it can stop providing 24/7 police services. The Fortuna Police Department, like the Ferndale Police Department, maintains 24/7 service, unlike the neighboring Rio Dell Police Department, which would require a significant increase in staff if it were to attempt 24/7 coverage.

Should Fortuna stop providing 24/7 police services, essential community engagement would be impacted with sworn staff constantly dedicated to minimum patrol coverage. The Police Department would also not have the capacity for proactive and preventative measures. A lack of proactive engagement limits crime prevention efforts. It also allows minor issues to fester into larger problems and weakens the vital relationship between the police and the community. In addition, negative economic impacts can occur through reduced proactive law enforcement efforts and high visibility patrols. These efforts help deter property crime, which is a key concern for local businesses and property owners. Last, administrative requirements increase from year to year as the department faces an increased workload due to new governmental reporting requirements, training regulations, and additional administrative duties. This mandates that more sworn staff time be diverted away from patrol to maintain compliance.

FINANCIAL IMPACT:

The total cost of these wage increases for the first year is \$198,243. This will be partially offset by, and as approved by the City Council separately, a payment to CalPERS in the amount of \$1,500,000 using funds in the General Reserve. The City has an unfunded liability (expected expenses are higher than expected revenues) for CalPERS pension benefits for employees. In order to reconcile the difference CalPERS mandates annual payments to reduce the unfunded liability. This fiscal year the mandated payment was over \$900,000. By making a one-time additional payment of \$1,500,000 it will reduce the interest cost to the City by approximately \$106,000 annually, leaving approximately \$92,243 in salary savings needed.

The total cost for wage increases in the second year is \$376,566 and again offset by the interest savings from CalPERS of approximately \$106,000, leaving approximately \$270,566 in needed salary savings.

Total annual ongoing cost/salary savings needed is \$362,809 unless/until additional revenue to the General Fund is recognized that can offset that additional cost. In the meantime, a hiring freeze for General Fund positions is recommended to the City Council to begin to realize salary savings.

RECOMMENDED COUNCIL ACTION:

Approve the side letter to the Memorandum of Understanding between the City of Fortuna and the Fortuna Police Employees Association for 2025-2027; and the Authorize the City Manager to Execute. Consent Agenda vote.

ALTERNATIVE TO STAFF RECOMMENDATIONS:

The City Council could choose not to approve side letter. This is not recommended as the City's negotiator, the City Manager, was requested and authorized by the City Council to engage in negotiations with the Fortuna Police Employees Association.

ATTACHMENTS:

- Side Letter