



TO: Hyun Kim, City Manager
FROM: Andy Cherullo, Finance Director
SUBJECT: Fiscal Impact of L6 TPD Lateral Police Officer Incentive Program LOA (TA)
DATE: August 20, 2025

OVERVIEW

The City of Tacoma and the Tacoma Police Local 6 bargaining unit have reached a tentative agreement for a Letter of Agreement (LOA).

Currently, there are more than 25 police officer vacancies at the Tacoma Police Department (TPD). To address the ongoing staffing challenges at the TPD, the City is instituting the Lateral Police Officer Incentive Program for law enforcement officers (LEO) currently employed in Washington State as a LEO and commissioned by the Washington State Criminal Justice Training Commission (CJTC). The purpose of the program is to recruit and retain experienced police officers currently working in Washington State. It is designed to minimize the time and expense required to fully train a Tacoma Police Officer, thereby expediting progress toward meeting TPD's staffing goals. The following are recruitment incentives that will be given to eligible employees:

Lateral Incentive Payments:

1. Effective upon City Council Approval, Eligible Employees hired on or after approval, will receive a one-time payment of twenty-five thousand dollars (\$25,000.00).
2. Upon the completion of the twelve-month probationary period, Eligible Employees will receive a one-time payment of twelve thousand five hundred dollars (\$12,500.00).
3. One year after the completion of the probationary period, Eligible Employees will receive a one-time payment of twelve thousand five hundred dollars (\$12,500.00).

Lateral Incentive Leave Deposits:

1. Eligible Employees hired in 2025 may receive up to 120 Floating Holiday hours. The hours will be provided as follows:
 - a. A one-time deposit of 40 Floating Holiday hours upon the date of hire.
 - b. A deposit of 80 Floating Holiday hours on January 1, 2026.
2. Eligible Employees hired in 2026 will receive a one-time deposit of 80 Floating Holiday hours upon the date of hire.

FINANCIAL IMPACT

The financial impact is an estimate based on recruiting 20 anticipated lateral LEOs for the program. The recruitment incentive includes financial implications for benefit, fleet, equipment, and overtime costs, which are included in the estimated fiscal impact below:

Fiscal Area	FTE	2025 Expense	2026 Expense	2027 Expense	Total Expense
General Fund – Incentive	20.0	\$500,000	\$250,000	\$250,000	\$1,000,000
General Fund – Floating Holiday	20.0	\$50,300	\$105,500	\$0	\$155,800
General Fund – Overtime	20.0	\$20,500	\$6,800	\$0	\$27,300
General Fund – Pension	20.0	\$29,300	\$18,900	\$13,300	\$61,500
Total	20.0	\$600,100	\$381,200	\$263,300	\$1,244,600

All direct costs are one-time costs. The estimate assumes that the employee uses the 40 Floating Holiday (FHL) hours within the year in 2025, or 80 FHL hours in 2026. This estimate would be the full impact of the realized cost rather than a future liability since FHL hours cannot be carried over.

Fiscal Area	2025 Expense	2026 Expense	2027 Expense	Total Expense
General Fund – Fleet and Maintenance	\$1,506,900	\$161,600	\$166,400	\$1,834,900
General Fund – Licenses	\$13,300	\$13,700	\$14,100	\$41,100
All Other General Government – Equipment	\$233,100	\$0	\$0	\$233,100
Total	\$1,753,300	\$175,300	\$180,500	\$2,109,100

One-time costs include budget for 15 new vehicles and personnel uniform and equipment. Fleet maintenance and license costs are ongoing costs.

Fiscal Area	2025 Expense	2026 Expense	2027 Expense	Total Expense
General Fund	\$2,120,300	\$556,500	\$443,800	\$3,120,600
All Other General Government	\$233,100	\$0	\$0	\$233,100
Total	\$2,353,400	\$556,500	\$443,800	\$3,353,700

FUNDING FOR 2025-2026

The adjustments are not budgeted as part of the 2025-2026 Adopted Biennial Budget; they will be addressed in the 2025-2026 Mid-Biennium Modification process. The department will be responsible for adhering to their overall level of appropriation.



Cc: Dylan Carlson, Labor Relations Manager
Karen Short, Senior Human Resources Consultant
Jen Watts, Labor Relations Analyst
Brian Schwall, Financial Services Analyst
Jeff Upton, Financial Services Manager

