



Staff Report

City Council

Item No. 4.D

Meeting Date: April 23, 2025

From: Eugenia Torres, Human Resources Manager

Title: CCPFA/CCFMA Side Letters to Update Language for CalPERS Compliance

RECOMMENDATION:

To authorize the City Manager to execute side letters with the Cathedral City Fire Management Association (CCFMA), and Cathedral City Professional Firefighters Association (CCPFA) to update their respective Memoranda of Understanding (MOUs) to ensure compliance with CalPERS reporting requirements for special compensation.

BACKGROUND:

Special compensation items must be included in Memoranda of Understanding and must meet the definitions outlined in CCR section 571 for classic members or CCR section 571.1 for new members in order to be reportable to CalPERS.

The California Public Employees' Retirement System (CalPERS) defines special compensation as compensation in addition to base pay that must meet specific criteria to be considered pensionable. These items include, but are not limited to, education incentives, certification pay, and specialty assignment compensation. For such compensation to be included in retirement benefit calculations, it must be properly documented in labor agreements and meet all statutory and regulatory requirements.

Cathedral City has historically provided various special compensation items to its fire personnel in recognition of specialized training, education, and certifications that enhance their ability to serve the community. In previous negotiations, these items have been included in the MOUs with both CCFMA and CCPFA. CalPERS periodically conducts compliance reviews to ensure public agencies are correctly reporting compensation in accordance with applicable laws and regulations.

DISCUSSION:

CalPERS recently completed a compliance review of various education/certification stipends reported under various employee groups. There were multiple findings related to inconsistent or non-compliant language being used in the MOUs for the CCFMA and CCPFA groups. In order to maintain compliance in reporting special compensation items to

CalPERS, staff have prepared the attached side letters for approval. These side letters specifically address the language modifications needed to properly report education and certification stipends according to CalPERS requirements.

All side letters have undergone a comprehensive review process and received formal approval from the union leadership. Each association president has provided their electronic signature on the documents, confirming official endorsement of the terms and conditions outlined therein. This verification process ensures that all negotiated agreements have received proper authorization from the appropriate bargaining unit representatives prior to final implementation.

FISCAL IMPACT:

There is no fiscal impact associated with this item. The recommended changes affect reporting language only and do not alter compensation amounts.

FIVE-YEAR STRATEGIC PLAN:

Goal A - SERVE THE COMMUNITY WITH PRIDE AND DEDICATION

Objective: Through diversity, equity, and inclusion driven employee programs and experiences, Cathedral City is the employer of choice with a workforce that is engaged, motivated, and respected public stewards

ATTACHMENTS:

1. CCFMA CalPERS Compliance Side Letter & CCPFA CalPERS Compliance Side Letter
2. CalPERS Audit Findings