



Folsom City Council Staff Report

MEETING DATE:	2/24/2026
AGENDA SECTION:	Consent Calendar
SUBJECT:	<p>Consideration of Side Letters of Agreement Between the City of Folsom and the Folsom Police Management Association (FPMA) and the City of Folsom Fire Department Middle Management Employees (CFFDMME):</p> <ul style="list-style-type: none"> i. Resolution No. 11560 – A Resolution Authorizing the City Manager to Execute a Side Letter of Agreement Between the City of Folsom and the FPMA Regarding Longevity Pay ii. Resolution No. 11561 – A Resolution Authorizing the City Manager to Execute a Side Letter of Agreement Between the City of Folsom and the FPMA Regarding Holiday in Lieu Pay iii. Resolution No. 11562 – A Resolution Authorizing the City Manager to Execute a Side Letter of Agreement Between the City of Folsom and the CFFDMME Regarding Longevity Pay iv. Resolution No. 11563 – A Resolution Authorizing the City Manager to Execute a Side Letter of Agreement Between the City of Folsom and the CFFDMME Regarding Holiday in Lieu Pay
FROM:	Human Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Human Resources Director recommends that the City Council pass and adopt the following resolutions:

- i. No. 11560 – A Resolution Authorizing the City Manager to Execute a Side Letter of Agreement Between the City of Folsom and the FPMA Regarding Longevity Pay

- ii. No. 11561 – A Resolution Authorizing the City Manager to Execute a Side Letter of Agreement Between the City of Folsom and the FPMA Regarding Holiday in Lieu Pay
- iii. No. 11562 – A Resolution Authorizing the City Manager to Execute a Side Letter of Agreement Between the City of Folsom and the CFFDMME Regarding Longevity Pay
- iv. No. 11563 – A Resolution Authorizing the City Manager to Execute a Side Letter of Agreement Between the City of Folsom and the CFFDMME Regarding Holiday in Lieu Pay

BACKGROUND / ISSUE

The California Public Employees' Retirement System (CalPERS) has denied inclusion of Longevity Pay and Holiday in Lieu (HIL) Pay in certain employees' final compensation calculations due to the language contained within the applicable Memoranda of Understanding (MOUs) not fully conforming to CalPERS regulatory requirements governing special compensation.

Although these compensation elements have historically been paid pursuant to adopted MOUs, CalPERS has determined that the contractual language must specifically align with its regulatory standards in order for the compensation to qualify as pensionable and be included in final compensation calculations.

CalPERS has advised the City that corrective language must be adopted and that such language must be made retroactively effective to the dates when these compensation elements were originally implemented.

The affected bargaining units are:

- Folsom Police Management Association
- City of Folsom Fire Department Middle Management Employees

The original effective dates of the compensation provisions are as follows:

CFFDMME

- Longevity Pay – Effective March 1, 2001
- Holiday in Lieu Pay – Effective April 1, 2011

FPMA

- Longevity Pay – Effective January 1, 2001
- Holiday in Lieu Pay – Effective July 1, 2010

The proposed side letters incorporate CalPERS-approved language and expressly apply retroactively to the dates listed above.

POLICY / RULE

Government Code Title 1, Division 4, Chapter 10, commonly known as the Meyers-Milias-Brown Act (MMBA), requires public agencies to meet and confer in good faith with recognized employee organizations regarding wages, hours, and other terms and conditions of employment.

The proposed side letters were negotiated in accordance with the MMBA and incorporate language consistent with CalPERS regulations governing special compensation and final compensation determinations.

ANALYSIS and FINANCIAL IMPACT

The proposed side letters do not establish new compensation or increase existing compensation levels. The pay elements at issue have been in place for many years.

There is no new fiscal impact associated with the compensation itself. Approval ensures compliance and preserves the City’s intended retirement treatment of these long-standing pay provisions.

ATTACHMENTS

1. No. 11560 – A Resolution Authorizing the City Manager to Execute a Side Letter of Agreement Between the City of Folsom and the FPMA Regarding Longevity Pay
2. Side Letter of Agreement Between the City of Folsom and the FPMA Regarding Longevity Pay
3. No. 11561 – A Resolution Authorizing the City Manager to Execute a Side Letter of Agreement Between the City of Folsom and the FPMA Regarding Holiday in Lieu Pay
4. Side Letter of Agreement Between the City of Folsom and the FPMA Regarding Holiday in Lieu Pay
5. No. 11562 – A Resolution Authorizing the City Manager to Execute a Side Letter of Agreement Between the City of Folsom and the CFFDMME Regarding Longevity Pay
6. Side Letter of Agreement Between the City of Folsom and the CFFDMME Regarding Longevity Pay
7. No. 11563 – A Resolution Authorizing the City Manager to Execute a Side Letter of Agreement Between the City of Folsom and the CFFDMME Regarding Holiday in Lieu Pay
8. Side Letter of Agreement Between the City of Folsom and the CFFDMME Regarding Holiday in Lieu Pay

Submitted,



Allison Garcia, Human Resources Director

Attachment 1

RESOLUTION NO. 11560

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A SIDE LETTER OF AGREEMENT BETWEEN THE CITY OF FOLSOM AND THE FOLSOM POLICE MANAGEMENT ASSOCIATION REGARDING LONGEVITY PAY

WHEREAS, the City of Folsom and the Folsom Police Management Association (FPMA) have previously adopted Longevity Pay provisions effective January 1, 2001; and

WHEREAS, the California Public Employees' Retirement System (CalPERS) has determined that the existing Memorandum of Understanding language must be revised to conform to CalPERS regulations governing special compensation and final compensation calculations; and

WHEREAS, the City and FPMA have met and conferred in good faith and reached an agreement on a Side Letter incorporating CalPERS-approved language regarding Longevity Pay; and

WHEREAS, CalPERS requires that the revised language be retroactively effective to January 1, 2001, the date the Longevity Pay provision was originally implemented, to ensure proper treatment in retirement calculations; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom approves the Side Letter of Agreement between the City of Folsom and the Folsom Police Management Association clarifying Longevity Pay provisions in compliance with CalPERS requirements; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council authorizes the City Manager to execute said Side Letter of Agreement.

PASSED AND ADOPTED this 24th day of February 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raithe, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

Side Letter Agreement between
City of Folsom
and
Folsom Police Management Association (FPMA)
Regarding Longevity Pay

The City of Folsom (hereinafter referred to as "City") and the Folsom Police Management Association (hereinafter referred to as "FPMA") entered into a Memorandum of Understanding ("MOU") with a term beginning on January 1, 2026, and terminating on December 31, 2028. The City and FPMA are collectively referred to herein as the "Parties." The Parties mutually agree to amend Article V, Section J of the Memorandum of Understanding ("MOU") between the Parties and replace with the following:

J. Longevity Pay/Law Enforcement Retention Pay:

Longevity Pay will hereinafter be referred to as Law Enforcement Retention Pay and shall be deemed longevity pay and reported to CalPERS as special compensation pursuant to C.C.R. Section 571.

1. Subject to all of the provisions of this subsection, the City will pay employees represented by the FPMA a Law Enforcement Retention Pay differential based on the following formula. The Law Enforcement Retention Pay shall be multiplied by the employee's salary step and paid each pay period. Law Enforcement Retention Pay shall be compensable for retirement (PERS) purposes.
 - 2 ½% after 10 years of full-time continuous City service;
 - an additional 2 ½% after 15 years of full-time continuous City service;
 - an additional 2 ½% after 20 years of full-time continuous City service

Law Enforcement Retention Pay shall not exceed a total of 7 ½% per month for an employee with twenty or more years of full-time City service.

2. Notwithstanding subsection 1 above, for the period beginning July 1, 2010, and ending June 30, 2011, employee advancement from one Longevity Pay increment to the next increment shall be frozen. Employees who would normally have advanced to a higher increment during this period shall advance to the next higher increment twelve (12) months from their anniversary date and shall not receive any retroactive payment nor shall the elapsed time period between July 1, 2010, and June 30, 2011, be counted for any future advancement.

The Parties acknowledge that, although FPMA did not have a separate MOU in effect prior to 2023, members of the FPMA bargaining group were subject to, and followed, the terms and conditions of employment established under the Folsom Police Officers Association (FPOA) Memoranda of Understanding as of January 1, 2001.

Longevity Pay was established under the FPOA MOU effective January 1, 2001, and FPMA members received and were compensated in accordance with those provisions during the period in which they followed the FPOA MOU.

This Side Letter is intended solely to clarify and memorialize the historical application of Longevity Pay to FPMA members. The longevity pay provisions described herein shall be deemed effective as applied to FPMA members beginning January 1, 2001, consistent with the terms under which the compensation was provided and reported during that period, and constitutes the entire agreement between the parties as to all matters referred to and included herein and supersedes and replaces all prior negotiations, proposed discussion, whether written or oral. The MOU shall remain in full force and effect except as specifically modified in this Side Letter.

City of Folsom

Folsom Police Management Association

Bryan Whitemyer, City Manager

Andrew Bates, FPMA Representative

Date: _____

Date: _____

Attachment 3

RESOLUTION NO. 11561

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A SIDE LETTER OF AGREEMENT BETWEEN THE CITY OF FOLSOM AND THE FOLSOM POLICE MANAGEMENT ASSOCIATION REGARDING HOLIDAY IN LIEU PAY

WHEREAS, the City of Folsom and the Folsom Police Management Association (FPMA) have previously adopted Holiday in Lieu Pay provisions effective July 1, 2010; and

WHEREAS, the California Public Employees' Retirement System (CalPERS) has determined that the existing Memorandum of Understanding language must be revised to conform to CalPERS regulations governing special compensation and final compensation calculations; and

WHEREAS, the City and FPMA have met and conferred in good faith and reached an agreement on a Side Letter incorporating CalPERS-approved language regarding Holiday in Lieu Pay; and

WHEREAS, CalPERS requires that the revised language be retroactively effective to July 1, 2010, the date the Holiday in Lieu Pay provision was originally implemented, to ensure proper treatment in retirement calculations; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom approves the Side Letter of Agreement between the City of Folsom and the Folsom Police Management Association clarifying Holiday in Lieu Pay provisions in compliance with CalPERS requirements; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council authorizes the City Manager to execute said Side Letter of Agreement.

PASSED AND ADOPTED this 24th day of February 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raithe, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 4

Side Letter Agreement between
City of Folsom
and
Folsom Police Management Association (FPMA)
Regarding Holiday In Lieu

The City of Folsom (hereinafter referred to as "City") and the Folsom Police Management Association (hereinafter referred to as "FPMA") entered into a Memorandum of Understanding ("MOU") with a term beginning on January 1, 2026, and terminating on December 31, 2028. The City and FPMA are collectively referred to herein as the "Parties." The Parties mutually agree to amend Article IX, Section C of the Memorandum of Understanding ("MOU") between the Parties and replace with the following:

C. HOLIDAYS

1. The following holidays shall be observed by the City:
 - 1) New Year's Day (January 1)
 - 2) Martin Luther King Day
 - 3) President's Day (Washington's Birthday)
 - 4) Memorial Day
 - 5) Independence Day
 - 6) Labor Day
 - 7) Veterans Day
 - 8) Thanksgiving Day
 - 9) Friday following Thanksgiving Day
 - 10) December 24
 - 11) Christmas Day
 - 12) December 31
2. Employees who are normally required to work on the holidays listed in subsection A shall receive a 6% Holiday-In-Lieu Pay differential. Holiday-In-Lieu Pay shall be multiplied by the employee's salary step and paid each pay period. Holiday Pay shall be compensable for retirement (PERS) purposes.
3. Any employee with Holiday Leave credits accrued under prior agreements may use those credits in the same manner as Annual Leave.

The Parties acknowledge that, although FPMA did not have a separate MOU in effect prior to 2023, members of the FPMA bargaining group were subject to, and followed, the terms and conditions of employment established under the Folsom Police Officers Association (FPOA) Memoranda of Understanding.

Holiday in Lieu Pay was established under the FPOA MOU effective July 1, 2010, as outlined in the FPOA MOU effective July 1, 2010 – June 30, 2013, and FPMA members received and were

compensated in accordance with those provisions during the period in which they followed the FPOA MOU.

This Side Letter is intended solely to clarify and memorialize the historical application of Holiday in Lieu Pay to FPMA members. The Holiday in Lieu Pay provisions described herein shall be deemed effective as applied to FPMA members beginning July 1, 2010, consistent with the terms under which the compensation was provided and reported during that period, and constitutes the entire agreement between the parties as to all matters referred to and included herein and supersedes and replaces all prior negotiations, proposed discussion, whether written or oral. The MOU shall remain in full force and effect except as specifically modified in this Side Letter.

City of Folsom

Folsom Police Management Association (FPMA)

Bryan Whitemyer, City Manager

Andrew Bates, FPMA Representative

Date: _____

Date: _____

Attachment 5

RESOLUTION NO. 11562

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A SIDE LETTER OF AGREEMENT BETWEEN THE CITY OF FOLSOM AND THE CITY OF FOLSOM FIRE DEPARTMENT MIDDLE MANAGEMENT EMPLOYEES REGARDING LONGEVITY PAY

WHEREAS, the City of Folsom and the City of Folsom Fire Department Middle Management Employees (CFFDMME) have previously adopted Longevity Pay provisions effective March 1, 2001; and

WHEREAS, the California Public Employees' Retirement System (CalPERS) has determined that the existing Memorandum of Understanding language must be revised to conform to CalPERS regulations governing special compensation and final compensation calculations; and

WHEREAS, the City and CFFDMME have met and conferred in good faith and reached an agreement on a Side Letter incorporating CalPERS-approved language regarding Longevity Pay; and

WHEREAS, CalPERS requires that the revised language be retroactively effective to March 1, 2001, the date the Longevity Pay provision was originally implemented, to ensure proper treatment in retirement calculations; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom approves the Side Letter of Agreement between the City of Folsom and the City of Folsom Fire Department Middle Management Employees clarifying Longevity Pay provisions in compliance with CalPERS requirements; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council authorizes the City Manager to execute said Side Letter of Agreement.

PASSED AND ADOPTED this 24th day of February 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raithe, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 6

Side Letter Agreement between
City of Folsom
and
City of Folsom Fire Department Middle Management Employees (CFFDMME)
Regarding Longevity Pay

The City of Folsom (hereinafter referred to as "City") and the City of Folsom Fire Department Middle Management Employees (hereinafter referred to as "CFFDMME") entered into a Memorandum of Understanding ("MOU") with a term beginning on January 1, 2026, and terminating on December 31, 2028. The City and CFFDMME are collectively referred to herein as the "Parties." The Parties mutually agree to amend Article III, Section 4 of the Memorandum of Understanding ("MOU") between the Parties and replace with the following:

4. LONGEVITY PAY

- A. Employees shall be eligible to receive longevity pay beginning with ten (10) or more years of City service. The longevity pay formula is based on 2.5% increments and is as follows:
- 2 ½% after ten (10) continuous years of city service
 - an additional 2 ½% for a total of 5% after fifteen (15) continuous years of city service
 - an additional 2 ½% for a total of 7 ½% after twenty (20) continuous years of city service
- B. Longevity Pay shall be multiplied by the employee's salary step and paid each pay period. Longevity Pay shall be compensable for retirement (PERS) purposes.

Furthermore, the Parties acknowledge and agree that the longevity pay provisions set forth herein are intended to clarify and memorialize the historical effective date of this specialty pay. Longevity Pay was originally established pursuant to the MOU covering the period January 1, 2001 through December 31, 2002, which was effective March 1, 2001.

Accordingly, the longevity pay provisions described in this Side Letter shall be deemed effective retroactive to March 1, 2001, and shall be applied consistent with that original effective date.

This Side Letter memorializes and constitutes the entire agreement between the parties as to all matters referred to and included herein and supersedes and replaces all prior negotiations, proposed discussion, whether written or oral. The MOU shall remain in full force and effect except as specifically modified in this Side Letter.

City of Folsom

City of Folsom Fire Department Middle Management Employees (CFFDMME)

Bryan Whitemyer, City Manager

Brian Beck, CFFDMME Representative

Date: _____

Date: _____

Attachment 7

RESOLUTION NO. 11563

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A SIDE LETTER OF AGREEMENT BETWEEN THE CITY OF FOLSOM AND THE CITY OF FOLSOM FIRE DEPARTMENT MIDDLE MANAGEMENT EMPLOYEES REGARDING HOLIDAY IN LIEU PAY

WHEREAS, the City of Folsom and the City of Folsom Fire Department Middle Management Employees (CFFDMME) have previously adopted Holiday in Lieu Pay provisions effective April 1, 2011; and

WHEREAS, the California Public Employees' Retirement System (CalPERS) has determined that the existing Memorandum of Understanding language must be revised to conform to CalPERS regulations governing special compensation and final compensation calculations; and

WHEREAS, the City and CFFDMME have met and conferred in good faith and reached an agreement on a Side Letter incorporating CalPERS-approved language regarding Holiday in Lieu Pay; and

WHEREAS, CalPERS requires that the revised language be retroactively effective to April 1, 2011, the date the Holiday in Lieu Pay provision was originally implemented, to ensure proper treatment in retirement calculations; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom approves the Side Letter of Agreement between the City of Folsom and the City of Folsom Fire Department Middle Management Employees clarifying Holiday in Lieu Pay provisions in compliance with CalPERS requirements; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council authorizes the City Manager to execute said Side Letter of Agreement.

PASSED AND ADOPTED this 24th day of February 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raitel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 8

Side Letter Agreement between
City of Folsom
and
City of Folsom Fire Department Middle Management Employees (CFFDMME)
Regarding Holiday In Lieu

The City of Folsom (hereinafter referred to as "City") and the City of Folsom Fire Department Middle Management Employees (hereinafter referred to as "CFFDMME") entered into a Memorandum of Understanding ("MOU") with a term beginning on January 1, 2026, and terminating on December 31, 2028. The City and CFFDMME are collectively referred to herein as the "Parties." The Parties mutually agree to amend Article VI, Section 5 of the Memorandum of Understanding ("MOU") between the Parties and replace with the following:

5. HOLIDAY PAY

A. The following holidays shall be observed by the City:

- 1) New Year's Day (January 1)
- 2) Martin Luther King Day
- 3) President's Day (Washington's Birthday)
- 4) Memorial Day
- 5) Independence Day
- 6) Labor Day
- 7) Veterans Day
- 8) Thanksgiving Day
- 9) Friday following Thanksgiving Day
- 10) December 24
- 11) Christmas Day
- 12) December 31

B. Employees who are normally required to work on the holidays listed in subsection A shall receive a 6% Holiday-In-Lieu Pay differential. Holiday-In-Lieu Pay shall be multiplied by the employee's salary step and paid each pay period. Holiday-In-Lieu Pay shall be compensable for retirement (PERS) purposes.

C. Any employee with Holiday Leave credits accrued under prior agreements may use those credits in the same manner as Annual Leave.

The Parties acknowledge and agree that the Holiday-In-Lieu pay provisions set forth herein are intended to clarify and memorialize the historical effective date of this specialty pay. Holiday-In-Lieu Pay was originally established pursuant to the Memorandum of Understanding covering the period April 1, 2011 – June 30, 2013, which was effective April 1, 2011.

Accordingly, the Holiday-In-Lieu pay provisions described in this Side Letter shall be deemed effective retroactive to April 1, 2011, and shall be applied consistent with that original effective date.

This Side Letter memorializes and constitutes the entire agreement between the parties as to all matters referred to and included herein and supersedes and replaces all prior negotiations, proposed discussion, whether written or oral. The MOU shall remain in full force and effect except as specifically modified in this Side Letter.

City of Folsom

City of Folsom Fire Department Middle Management Employees (CFFDMME)

Bryan Whitemyer, City Manager

Brian Beck, CFFDMME Representative

Date: _____

Date: _____