



Date: Tuesday, April 8, 2025

Honorable Mayor and Council Members:

Author and title: Nicole Casey, Administrative Services Director

Title: **Approve the Side Letters with the Truckee Police Officer's Association (TPOA)**

Jen Callaway, Town Manager

Recommended Action: That Council approve the attached side letters between the Town and the Truckee Police Officer's Association (TPOA) amending the Memoranda of Understanding (MOU).

Discussion: On August 8, 2024, CalPERS issued Circular Letter 200-037-24 (Attached 1), outlining its current interpretation of holiday pay as special compensation under California Government Code sections 20636 and 20636.1.

Historically, the Town's holiday pay program for the TPOA allowed employees to accrue 12 hours of holiday time per Town-recognized holiday into a holiday bank. Each December, employees could either roll over up to 40 hours for use in the following calendar year and cash out the remainder, or opt to cash out the full amount. The payout was made at the employee's then-current rate of pay. Following a court ruling in 2017 that classified holiday pay as statutory special compensation, the Town proactively submitted its holiday pay provisions to CalPERS for review, and at that time, the provisions were found to be compliant.

The 2024 CalPERS Circular introduces several clarifications, two of which directly impact the Town's current practice:

1. Holiday pay must now be paid and reported to CalPERS at the rate in effect when the holiday time was earned.
2. For PEPRAs members, holiday pay may no longer include a rollover provision.

Because these changes affect the total compensation of employees represented by the Truckee Police Officers' Association (TPOA), the Town is legally obligated under the Meyers-Milias-Brown Act to meet and confer regarding the impacts.

Town staff began discussions with TPOA in Fall 2024. On March 11, 2025, the Town's labor negotiators met in closed session with the Town Council to review potential solutions and receive direction on a proposed agreement. Subsequently, the Town and TPOA reached a tentative agreement, which includes the following terms:

- Discontinuation of the accrual of 12 hours of holiday pay per recognized holiday;
- Implementation of an 8% special compensation, calculated per pay period, based on each officer's base hourly rate;

- Authorization for TPOA members to accrue up to 160 hours of Compensatory Time Off (CTO) in lieu of overtime, with a mandatory cash-out of any hours over 120 at the end of each calendar year.

The Town submitted the proposed MOU language to the CalPERS Audit Compliance Unit, which has since provided written approval on the language's compliance.

Staff recommends that Council approve the attached side letters between the Town of Truckee and the Truckee Police Officers' Association (TPOA), amending the current Memorandum of Understanding to reflect the updated holiday pay provisions in compliance with CalPERS requirements.

Priority:

<input type="checkbox"/> Enhanced Communication	<input type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/> Core Service

Fiscal Impact: The proposed change does not result in a material increase or decrease in the wage obligations of the Town as it is equivalent substitute payment for the holiday pay previously provided.

Public Communication: The Town's labor negotiators met with the TPOA negotiation team on November 26, 2024, January 21, 2025, and March 20, 2025.

Attachments:

Attachment 1: Circular Letter 200-037-24 - <https://www.calpers.ca.gov/employers/policies-and-procedures/circular-letters/200-037-24>

Attachment 2: Side Letter Amending Article 9 Holiday-in-Lieu of the TPOA MOU

Attachment 3: Side Letter Amending Article 35 Compensatory Time of the TPOA MOU