



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Mary Hao
Human Resources Director

SUBJECT: Approve OFD Fire Staff Premium Side
Letter Agreement to the IAFF, Local
55 MOU

DATE: September 29, 2025

City Administrator Approval


[Jestin Johnson \(Oct 8, 2025 14:51:58 PDT\)](#)

Date: 10/08/2025

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Approving the Side Letter To Amend And Clarify Article 2.8.7.1 Of The November 1, 2020 – June 30, 2026 Memorandum Of Understanding (“MOU”) Between The City Of Oakland And The International Association Of Firefighters (“IAFF”), Local 55, To Be Effective November 1, 2020.

EXECUTIVE SUMMARY

The City and IAFF, Local 55 had intended to have the premium described in MOU Article 2.8.7.1 to be considered reportable wages under the California Public Employees’ Retirement System (“CalPERS”). However, during a CalPERS audit, CalPERS determined that the language in Article 2.8.7.1 did not comply with the Public Employees’ Retirement Law (“PERL”)¹ requirements for reportable compensation for the purposes of calculating represented employees’ compensable wages.

To clarify the parties’ intent, the City of Oakland and IAFF, Local 55 representatives have signed a side letter agreement subject to City Council adoption to amend and clarify Article 2.8.7.1 Staff Assignments by renaming the Article under Staff Assignments and Special Assignments from “Forty Hour Schedule” to “Fire Staff Premium”, and 2) revising the contract provision in Article 2.8.7.1. to more clearly articulate the purpose and criteria for eligibility of the Fire Staff Premium. CalPERS has reviewed the revised Article 2.8.7.1 and determined it to be compliant with the PERL.

BACKGROUND / LEGISLATIVE HISTORY

The November 1, 2020 through June 30, 2026 Memorandum of Understanding between the City of Oakland and IAFF, Local 55 contains a provision, Article 2.8.7.1 Forty Hour Schedule, that addresses the criteria for represented employees who work a 40-hour staff assignment (i.e., an

¹ The Public Employees’ Retirement Law contains the constitutional provisions, statutes and regulations that govern CalPERS retirement.

administrative, non-suppression assignment) to receive a fifteen (15) percent premium in addition to their regular base rate of pay:

2.8.7.1 Forty Hour Schedule.

The Chief may assign members to a 40-hour Staff Assignment. Such assignments will normally be filled through an announcement and application process. A bargaining unit member assigned to and serving in a staff assignment with 40-hour work week shall be paid fifteen percent (15%) in addition to the unit member's regular base rate of pay. An assignment will only qualify for Staff Assignment Pay if the assignment is identified in writing as a Staff Assignment which qualifies for Staff Assignment Pay (e.g., light duty or other temporary 40-hour assignments which are not identified in writing as Staff Assignments will not receive Staff Assignment pay).

Based on the CalPERS review, this provision does not comply with the PERL requirement of reportable compensation. CalPERS based its findings on two provisions in California law, as follows:

1. The definition of Fire Staff Premium under the California Code of Civil Regulations ("CCR"), Section 571: "Compensation to rank and file local firefighters who are routinely and consistently assigned to administrative work during normal hours of employment that may differ from the work schedule of fire suppression personnel."
2. The definition of group or class of employment under California Government Code ("GC") Section 20636(e)(1): "As used in this part, 'group or class of employment' means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping. A single employee is not a group or class."

With respect to CCR Section 571, CalPERS noted the following concerns: 1) that the existing contract language in the parties' MOU referenced a 40-hour schedule rather than the performance of administrative duties. A 40-hour schedule also excluded represented employees who may work a different schedule; 2) that there was a fair process when making these assignments.

With respect to GC Section 20636(e)(1), CalPERS noted that whereas the law requires a group or class of employees to be defined based on valid criteria, such as job similarities or work location, the existing MOU language limited the criteria to a 40-hour schedule.

In order to clarify the parties' intent and address the concerns raised by CalPERS, the City and IAFF, Local 55, have entered into a Side Letter Agreement to retitle MOU Article 2.8.7.1. from "Forty Hour Schedule" to "Fire Staff Premium", and amend the language, excerpted below. Further, so that represented employees who have already received this premium based on the existing contract language will have such compensation considered for CalPERS purposes, the parties have agreed to have this Side Letter be effective as of the first day of the current MOU, which is November 1, 2020. The parties have fully executed the Side Letter Agreement, and IAFF, Local 55 membership has also ratified.

2.8.7.1 Fire Staff Premium.

Fire Staff Premium is provided to rank-and-file Local 55 members routinely and consistently assigned to administrative duties during normal hours of employment, typically a 40-hour schedule, that differ from the work schedule of fire suppression personnel. All administrative staff routinely and consistently performing qualifying duties shall be eligible for Fire Staff Premium, regardless of their work schedule. Members receiving Fire Staff Premium shall be paid an additional fifteen percent (15%) in addition to their base rate of pay. Staff Assignments shall be determined based on operational needs and the member's ability to perform administrative duties routinely and consistently as defined in this policy. This premium aligns with the Fire Staff Premium as defined in CCR 571, as shall be reported as special compensation to CalPERS.

CalPERS has also confirmed that the amended language in MOU Article 2.8.7.1 complies with PERL (of which GC 20636(e)(1) is a part) and CCR 571. The determination from CalPERS is excerpted below.

The Fire Staff Premium language in the Side Letter Agreement complies with [PERL](#), [CCR 571](#), and [CCR 571.1](#). The following key points support this determination:

1. Compensation Definition and Amount
 - The Fire Staff Premium provides an additional 15% of base salary to rank-and-file Local 55 members routinely and consistently performing qualifying administrative duties. This amount is clearly defined and meets the requirements for special compensation under [CCR 571](#) for Classic members and [CCR 571.1](#) for PEPRAs members.
2. Eligibility and Grouping
 - The policy defines the eligible group as rank-and-file Local 55 members performing administrative duties routinely and consistently. This grouping is valid under [Government Code 20636\(e\)\(1\)](#) for Classic members and [CCR 571.1\(a\)](#) for PEPRAs members, as it is based on job duties.
3. Inclusivity
 - The policy ensures that all administrative staff performing qualifying duties are eligible for the premium, regardless of their work schedule. This avoids group or class issues and ensures compliance with [PERL](#) for both Classic and PEPRAs members.
4. Alignment with [CCR 571](#) and [CCR 571.1](#)
 - The Fire Staff Premium aligns with the definition of Fire Staff Premium under [CCR 571\(a\)](#) for Classic members and [CCR 571.1\(b\)](#) for PEPRAs members. It compensates employees for administrative duties performed during normal hours of employment that differ from fire suppression schedules.

ANALYSIS AND POLICY ALTERNATIVES

Approval of the proposed Resolution that adopts the Side Letter Agreement to the MOU between the City of Oakland and IAFF, Local 55 (***Attachment A***), is required to amend the parties' MOU and for CalPERS compliance. The amended language does not affect any existing administrative assignments, nor will it affect how the Oakland Fire Department makes these assignments in the future.

Ensuring compliance with relevant CalPERS law supports the citywide priority of being a **responsive, trustworthy government**.

FISCAL IMPACT

This item is for informational purposes only and does not have a direct fiscal impact or cost.

PUBLIC OUTREACH / INTEREST

No outreach was deemed necessary for the proposed policy action beyond the standard City Council agenda noticing procedures.

COORDINATION

This report was developed in coordination with information provided by the Payroll Division of the Finance Department in relation to the audit and further guidance received from CalPERS.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

Environmental: There are no environmental opportunities associated with this report.

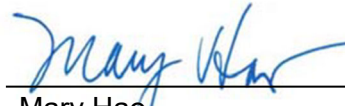
Race & Equity: There are no race and equity opportunities associated with this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Approving the Side Letter To Amend And Clarify Article 2.8.7.1 Of The November 1, 2020 – June 30, 2026 Memorandum Of Understanding (“MOU”) Between The City Of Oakland And The International Association Of Firefighters (“IAFF”), Local 55, To Be Effective November 1, 2020.

For questions regarding this report, please contact Mary Hao, Human Resources Director, at (510) 238-6450.

Respectfully submitted,



Mary Hao
Human Resources Director
Department of Human Resources Management

Attachment (1):

A: Side Letter Agreement Between The City Of Oakland And the International Association of Firefighters (“IAFF”), Local 55