



Office of the City Manager

CONSENT CALENDAR  
November 18, 2025

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager

Submitted by: Janelle Rodrigues, Director, Human Resources

Subject: Adoption of Side Letter Agreement with Berkeley Police Association to clarify the calculation and reporting of special compensation under CalPERS regulations

RECOMMENDATION

Adopt a Resolution approving the Side Letter Agreement between the City of Berkeley and the Berkeley Police Association (BPA) to clarify and confirm the compounding and reporting of special compensation under CalPERS regulations.

FISCAL IMPACTS OF RECOMMENDATION

Adoption of a Resolution approving the Side Letter Agreement is consistent with current practices to the extent possible and may result in CalPERS compliance corrections to pensionable specialty pay that does not increase City costs.

CURRENT SITUATION AND ITS EFFECTS

This report requests City Council approval of a Side Letter Agreement with the Berkeley Police Association to align the reporting of special compensation with applicable CalPERS regulations. The amendment confirms the compounding methodology for all current and prior MOUs to ensure consistent and accurate pension reporting.

Following CalPERS compliance review, the City and the Berkeley Police Association agreed to amend the Memorandum of Understanding (MOU) to ensure compliance with reporting special compensation, consistent with California Government Code sections 20630, 20636, 7522.34 and related regulations. Adoption of the Side Letter clarifies the City's approach and ensures transparency in compensation reporting.

The City and BPA have collaborated to review CalPERS reporting requirements for specialty and incentive pays and the compounding methodology. The proposed Side Letters clarify how such compensation is calculated and reported in compliance with Government Code sections 20630, 20636, 7522.34 and related regulations. Specifically, the Side Letter Agreements address, confirm, and clarify which specialty and incentive pays are reportable to CalPERS and articulates the methodology for compounding calculations for such pay.

Adoption of Side Letter Agreement with Berkeley Police Association to clarify the calculation and reporting of special compensation under CalPERS regulations

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### BACKGROUND

The City's review of pension reporting practices in collaboration with CalPERS identified a need to clarify how special compensation items such as educational incentives, bilingual pay, and assignment premiums are compounded and reported to CalPERS. During this review the parties identified discrepancies in pensionable and nonpensionable specialty pays that were reported to CalPERS. This Side Letter corrects and addresses those discrepancies.

The City met and conferred with the BPA regarding the agreed upon Side Letter. Thereafter, CalPERS MOU Unit and Compliance Unit reviewed and affirmed compliance between the agreement and the regulations, so long as the agreement was memorialized and a resolution adopted by the governing body, together with other administrative implementation requirements.

The parties have agreed to enter into the Side Letter as provided in this resolution and this resolution would support the compliance requirements for the City to provide the specialty compensation and incentive pay and compounding as closely as possible to the original intent of the parties. This Side Letter memorializes that understanding and confirms compliance with CalPERS guidance.

### ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no environmental or climate impacts.

### RATIONALE FOR RECOMMENDATION

Approval of this Side Letter supports accurate pension reporting, ensures continued compliance with CalPERS requirements, and promotes transparency and consistency in labor agreements.

### ALTERNATIVE ACTIONS CONSIDERED

No alternatives are recommended. Not approving the resolution could result in continued ambiguity and risk of reporting noncompliance.

### CONTACT PERSON

Janelle Rodrigues, Director, Human Resources, 510-981-6807

#### Attachments:

##### 1: Resolution

Exhibit A: Side Letter Agreement Between the City of Berkeley and the Berkeley Police Association Regarding Special Compensation Compounding

RESOLUTION NO. ##,###-N.S.

ADOPTING SIDE LETTER AGREEMENTS WITH THE BERKELEY POLICE  
ASSOCIATION TO CLARIFY THE CALCULATION AND REPORTING OF SPECIAL  
COMPENSATION UNDER CALPERS REGULATIONS

WHEREAS, the City of Berkeley and the Berkeley Police Association are parties to a Memorandum of Understanding (MOU) effective July 1, 2023 through June 30, 2026; and

WHEREAS, both parties desire to clarify and memorialize how special compensation is calculated, compounded, and reported to CalPERS regarding the current and all prior MOUs; and

WHEREAS, the Side Letter Agreement, attached hereto and incorporated herein, confirms that the compounding and reporting of special compensation complies with California Government Code Sections 20630, 20636, and 7522.34, and the California Code of Regulations Sections 571 and 571.1; and

WHEREAS, the City Council has reviewed and considered the Side Letter Agreement as presented by the City Manager.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute the Side Letter Agreement between the City of Berkeley and the Berkeley Police Association.

Exhibits

A: Side Letter Agreement Between the City of Berkeley and the Berkeley Police Association Regarding Special Compensation Compounding

# EXHIBIT A

**Amendment  
To The  
Memorandums of Understanding  
Between The  
City of Berkeley  
And  
Berkeley Police Association**

Effective immediately as of the latest execution date below by either the City of Berkeley (the “City”) or Berkeley Police Association (“BPA”) (collectively, the “Parties”), the current Memorandum of Understanding (“MOU”) between the Parties effective July 1, 2023 to June 30, 2026, and all prior MOU’s between the Parties dated: July 6, 1997 to July 7, 2001; July 8, 2001 to June 30, 2007; July 1, 2007 to June 25, 2011; June 26, 2011 to July 5, 2014; July 6, 2014 to June 30, 2017; July 1, 2017 to June 30, 2021; and July 1, 2021 to June 30, 2023, are amended to include the following provisions as a new Exhibit A, which is incorporated by reference and given full effect as if originally included in each MOU:

*EXHIBIT A  
SPECIAL COMPENSATION*

For purposes of clarity, the City and the Association hereby confirm, acknowledge, and ratify that all current and former employees covered under this Agreement, and prior Agreements will have special compensation calculated and reported to CalPERS as follows:

(1) All special compensation within the meaning of California Code of Regulations Sections 571 and 571.1, as amended, is compounded for all employees covered under this Agreement for purposes of calculating and reporting compensation under Government Code Sections 20630, 20636, and 7522.34 and the guidance issued thereunder;

(2) The City of Berkeley shall compound special compensation as provided in this Amendment which shall be incorporated into the MOU as new section 13.7: Each item of special compensation as listed in the following charts (the first for Classic Members, *i.e.*, those individuals who became CalPERS members prior to January 1, 2013; the second for New Members, *i.e.*, those individuals who became CalPERS members on or after January 1, 2013) shall compound in the order listed below which represents the order the item of special compensation was established from the oldest item of special compensation to the newest. The initial calculation for compounding shall multiply base wage by the oldest special compensation percentage, add the result to the base wage, then apply the next applicable special compensation percentage to the new total, and so on until all reportable special compensation listed is fully calculated.

**Classic Member Specialty Pay Compounding Sequence:**

<b>Special Compensation Category</b>	<b>Special Compensation Type</b>	<b>MOU Section</b>
Holiday Pay	Holiday Pay	23
Premium	Temporary Upgrade Pay	17.1
Special Assignment Pay	Detective Division Premium (Homicide Detail)	13.1
Special Assignment Pay	Lead Worker/Supervisor Premium	13.2
Incentive	Longevity Pay	15
Educational Incentive	Educational Incentive	13.3
Special Assignment Pay	Bilingual Premium Pay	13.4
Educational	Peace Officer Standards and Training (POST)	13.5
Educational	Educational Incentive	13.6

**PEPRA Member Specialty Pay Compounding Sequence:**

<b>Special Compensation Category</b>	<b>Special Compensation Type</b>	<b>MOU Section</b>
Holiday Pay	Holiday Pay	23
Special Assignment Pay	Detective Division Premium (Homicide Detail)	13.1
Special Assignment Pay	Lead Worker/Supervisor Premium	13.2
Incentive	Longevity Pay	15
Educational Incentive	Educational Incentive	13.3
Special Assignment Pay	Bilingual Premium Pay	13.4
Educational	Peace Officer Standards and Training (POST)	13.5
Educational	Educational Incentive	13.6

(3) Special compensation is calculated for all employees covered under this Agreement based on the currently effective pay schedule adopted by the governing body of the City, as revised from time to time and posted on a publicly available pay schedule; and

(4) Special compensation is calculated for all employees covered under this Agreement based on all reportable hours in compliance with Government Code Sections 20630, 20636, 7522.34 and California Code of Regulations Sections 571 and 571.1, as amended, and the guidance issued thereunder; and

(5) The parties agree to the following revisions:

**[RENUMBERED 14.3]13.4** Field Training Officer Special Assignment:  
 Employees assigned as Field Training Officers shall receive a ten percent (10%) differential during any calendar year when actually working as a Field Training Officer. If an employee

is assigned as a Field Training Officer while on regular duty and not while on overtime, this differential for hours worked on regular duty shall be reported to CalPERS as Supervisor Special Assignment Pay.

~~[RENUMBERED 13.1]~~ ~~13.6 Homicide Detail Crime Scene Investigator Premium Detective Division Premium, (Homicide Detail)~~

~~A Police Sergeant assigned to the Homicide Detail shall receive a four percent (4%) salary differential. If a Police Sergeant is assigned to the Homicide Detail while on regular duty and not while on overtime, this differential for hours worked on regular duty shall be reported to CalPERS as Detective Division Special Assignment Pay. A Police Officer assigned to the Homicide Detail shall receive a three percent (3%) salary differential. If a Police Officer is assigned to the Homicide Detail while on regular duty and not while on overtime, this differential for hours worked on regular duty shall be reported to CalPERS as Detective Division Special Assignment Pay~~

Homicide Detail is an investigative division which consists exclusively of individuals in detective assignments. Therefore, the pay described in this section shall be reported to CalPERS as Detective Division Premium Pay.

~~Police Officers and Police Sergeants who are regularly assigned to the Homicide Detail as part of their normal duties shall receive a salary differential in recognition of the specialized and continuous nature of the assignment.~~

~~Police Officers shall receive a three percent (3%) salary differential.~~

~~Police Sergeants shall receive a four percent (4%) salary differential.~~

~~This differential applies only while the employee is assigned to the Homicide Detail and performing the associated duties as part of their regular work schedule. This premium is designated as Special Assignment Pay and is intended to compensate for the advanced investigative duties required in this assignment.~~

~~[RENUMBERED 13.2]~~ ~~13.3 Lead Worker/Supervisor Premium Supervisor Special Assignment~~

When a Police Sergeant is regularly assigned to function as the Field Training Officer Supervisor they shall receive a five percent (5%) salary differential while occupying that position. If an employee is assigned as the Field Training Officer Supervisor, while on regular duty and not while on overtime, this differential for hours worked on regular duty shall be reported to CalPERS as Supervisor Special Assignment Pay.

~~[RENUMBERED 14.1]~~ ~~13.2 Special Response Team (S.R.T)~~

An employee assigned as a member of the Special Response Team (S.R.T.) shall receive a five percent (5%) salary differential when involved in an active S.R.T. incident. If an employee is assigned as a member of the Barricaded Subjects Hostage Negotiation Team while on regular duty and not while on overtime, those hours worked as a S.R.T. member on regular duty shall be reported to CalPERS as Hazard Premium Pay.

~~[RENUMBERED 14.2]~~ ~~13.1~~ Explosives Ordinance Technician

An employee assigned as an Explosives Ordinance Technician shall receive double their regular straight-time rate for that time spent (from call to completion) in dealing with explosives. Said double time shall be the total compensation for such time spent, whether on regular duty time or when called in from off-duty. If an employee is assigned as an Explosive Ordinance Technician while on regular duty and not while on overtime, those hours worked as an Explosive Ordinance Technician on regular duty shall be reported to CalPERS as Hazard Premium Pay.

SECTION 15: LONGEVITY PAY

Effective September 3, 2023, the longevity premium structure shall be discontinued and replaced with the following:

Upon the anniversary date of the beginning of the following years of service as an employee in a classification represented by the Association, shall receive the following differentials above their base rate of pay:

- Eighth (8th) Year of Service: three percent (3%)
- Twelfth (12th) Year of Service: an additional three percent (3%) for a total of six percent (6%)
- Fifteenth (15th) Year of Service: an additional three percent (3%) for a total of nine percent (9%)
- Eighteenth (18th) Year of Service: an additional three percent (3%) for a total of twelve percent (12%)

Employees who have already reached these levels of service shall receive the new premiums effective immediately.

Laterals: Employees who have prior years of service, as a sworn peace officer with a Federal, State, City, County, District or Tribal agency or laterals with equivalent experience as determined by the Chief of Police and the Director of Human Resources may have their prior years of service calculated toward longevity after they have ~~satisfactorily~~ completed five (5) years of service with the City in a classification represented by the Association. This benefit shall not be retroactively applied.

This Longevity Pay shall be reported to CalPERS as Longevity Pay Incentive Pay.

~~[RENUMBERED 13.3]~~ ~~13.5 Hazard Premium Pay~~ Educational Incentive - ~~—~~ M

Mental Health Crisis Intervention Pay:

~~All sworn employees shall receive a Hazard Premium Pay called Mental Health Crisis Intervention Pay equal to two percent (2.0%) of base salary, which pay shall be provided on all hours the employee is in a paid status. This pay shall be in recognition of the fact that the City's sworn personnel are routinely and consistently exposed to uniquely hazardous conditions arising from law enforcement interactions with the mentally ill and are required to complete training intended to enhance sworn personnel's ability to perform the hazardous and specialized mental health related law enforcement duties which Berkeley's sworn personnel are consistently and routinely asked to perform, including arrests, potential arrests and addressing other mental health related disputes~~

All sworn employees who have successfully completed an educational course, as determined by the Chief of Police, -which focuses on the abilities of sworn employees to interact with the

mentally ill or complete mental health-related law enforcement duties, which Berkeley's sworn personnel are consistently and routinely required to perform, including arrests, potential arrests, and addressing other mental health-related disputes, shall receive Mental Health Crisis Intervention Pay equal to two percent (2.0%) of base salary. This pay shall be provided on all hours the employee is in a paid status. Employees who have not completed the requisite educational course or certificate will not be eligible for this pay.

**[RENUMBERED 13.4] ~~SECTION 14:~~ BILINGUAL PREMIUM PAY**

The Chief of Police, or their designee, may make a Bilingual Premium Pay Special Assignment of an employee who is able to demonstrate verbal communication skills in a language other than English, including Braille and sign language, and who routinely and consistently utilizes these bilingual skills for the City of Berkeley. Candidates for the Bilingual Premium Pay Special Assignment will be selected in a manner similar to the manner used to select Field Training Officers. The employee must agree to use the bilingual skill during their normal work shift regardless of assignment. Employees in the bargaining unit are routinely and consistently assigned to positions requiring communication skills other than English. In recognition thereof, ~~The City shall provide~~ Bilingual Premium Pay ~~shall be equal to~~ five percent (5%) ~~of the~~ base pay, ~~shall apply~~ applicable to all employees who demonstrate communication proficiency in a language other than English, including Braille and sign language. The pay shall be applied to all hours in which the employee is in a paid status. This pay and shall be reported to CalPERS as Bilingual Premium Special Assignment Pay. The employee must agree to use the bilingual skill during their normal work shift regardless of assignment.

**[RENUMBERED 13.5] ~~13.7~~ Peace Officer Standards and Training (POST)**

In addition to the salary set forth in the Exhibit "A" of this Agreement, employees covered by this Agreement who qualify under regulations promulgated by the California Commission on Peace Officer Standards and Training shall receive the following educational/training incentive compensation. To receive the Intermediate Certificate and/or Advanced Certificate differential pay below, employees must submit documents required by the Berkeley Police Department Professional Standards Division verifying POST eligibility, including but not limited to copies of college transcripts, proof of a college degree and other related forms. Failure of the employee to submit documents required by the Professional Standards Division shall delay the POST incentive pay eligibility until such time as the employee provides all required documentation.

13.75.1 Intermediate Certificate: An employee who possess a Peace Officers Standards and Training Intermediate Certificate shall receive a five percent (5%) differential to base salary and such payment shall be reported to CalPERS as Peace Officers Standards and Training Certificate Pay as a form of Educational Pay.

13.75.2 Advanced Certificate: An officer who possess a Peace Officers Standards and Training Advanced Certificate, the employee shall receive a two percent (2%) differential to base salary and such payment shall be reported to CalPERS as Peace Officers Standards and Training Certificate Pay as a form of Educational Pay.

13.75.3 An employee may simultaneously receive the Intermediate and Advanced

Certificate differential for a total differential of seven percent (7%).

[RENUMBERED 13.6]13.8-Educational Incentive

Constitutional Humane Impartial Neighborhood and Community Oriented DEI-Centered (“KIND”) Policing: ~~Education Incentive~~

Effective September 3, 2023, employees will receive a three percent (3.0%) differential above their base rate for the KIND policing education incentive.

Effective the first full pay period after July 1, 2024, employees will receive an additional one percent (1.0%) for a total four percent (4.0%) differential above their base rate for the KIND policing education incentive.

The City will administer a program of training and recordkeeping for this program and provide paid time for members to attend such trainings. In order to continue to qualify for this incentive, the Department will offer, and members must complete, a minimum 30-hour certification, consisting of classroom and/or field training, by December 31, 2024. Each subsequent year, the Department will offer, and members must complete 15 hours of continuing education by December 31. Trainings must either be provided by the Police Department or approved by the Police Chief or their designee. The City will begin to schedule trainings associated with the KIND incentive within 90 days of the adoption of this Agreement by City Council. Non-departmental trainings must be pre-approved by the Police Chief, or their designee, and must be obtained through an accredited college or university, a nationally recognized professional organization, or a continuing education course from a certified provider. To satisfy the hourly requirement, trainings must be in the following areas of study and must include trainings across at least (ten) 10 different categories:

- Active Bystandership for Law Enforcement
- Anti-Racism
- Communication Skills
- Community-Oriented Policing
- Constitutional Policing
- Criminal Law and Procedure
- Cultural Competence
- De-escalation Techniques
- Diversity, Equity, Inclusion & Belonging
- Empathy
- Ethics
- Impartial Investigation Techniques
- Implicit Bias Prevention
- Probable Cause
- Procedurally Just Policing
- Respectful Treatment of Others
- Other similar forms of training as approved by the City Manager

Eligibility for the differential will be paused during periods of non-compliance. Once the member has come into compliance by fulfilling all missing hours, the differential will be restored, effective the next full pay period. Training hours that a member completes to come into compliance with a previous year’s compliance requirement shall only count toward the previous year’s requirement, and the member must separately, fully, and timely complete the current year’s required hours to remain in compliance for the current year.

New and lateral hires will have the balance of the calendar year of their hire and the following calendar year to complete their 30-hour certification. The training hours required for compliance will be prorated for members who are on protected leaves according to the length of the leave.

Employees who are disciplined for sustained charges that conflict with the core values of the KIND differential such as excessive force, dishonesty, and/or discrimination/bias will be required to complete additional hours of KIND training, commensurate with the severity of the offense. For sustained offenses warranting suspension in excess of two weeks, members will be required to re-complete the 30-hour certification.

This differential shall be reported to CalPERS as an educational incentive in accordance with California Code of Regulations 571 and 571.1.

(6) The above paragraphs (1) through (5) represent the understanding of the Parties for all periods covered by the current and prior Agreements.

**EXECUTION**

By signing below, I affirm and certify that I am authorized to execute this Amendment on behalf of the represented organization as noted.

**AGREED TO FOR THE CITY**

**AGREED TO FOR THE UNION**

\_\_\_\_\_  
Paul Buddenhagen  
City Manager  
City of Berkeley

\_\_\_\_\_  
Niel Egbert  
President  
Berkeley Police Association

**APPROVED AS TO FORM**

\_\_\_\_\_  
Jacob Kalinski  
Rains Lucia Stern St. Phalle & Silver

\_\_\_\_\_  
Farimah Faiz Brown  
City Attorney

