



COUNTY OF HUMBOLDT

For the meeting of: 9/9/2025

File #: 25-1056

To: Board of Supervisors

From: Human Resources

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Approve the Side Letter of Agreement with the Law Enforcement Management (LEM) Unit to Clarify the Payment of Special Compensation and Recognize Dec. 24 as a County Holiday

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve, and authorize the Chair of the Board to sign, a Side Letter of Agreement (Attachment 1) with the LEM Unit clarifying the payment of special compensation to members in the unit and recognizing Dec. 24 as a county holiday.

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Workforce & Operational Excellence

Strategic Plan Category: 3003 - Enhance employee recruitment and retention

DISCUSSION:

The County of Humboldt and the Law Enforcement Management (LEM) Unit have reached agreement on a Side Letter of Agreement amending the current Memorandum of Understanding (MOU) and previous MOUs. This Side Letter adds Section 60 to the MOU and amends Sections 10, 13 and 17.

The purpose of this agreement is to clarify provisions related to Educational Certificate Pay (POST Certificate Pay), Longevity Pay, and associated incentives, ensuring compliance with CalPERS regulations and consistency with the county's and LEM's long-standing intent and past practice.

CalPERS identified concerns during a recent compensation review regarding the interpretation of California Code of Regulations (CCR) section 571 and determined that existing MOU language did not fully align with their current interpretation. The Side Letter of Agreement addresses these concerns by clarifying the order in which incentive payments are applied, detailing the cumulative nature of the compensation schedule and specifying the classifications that qualify for longevity eligibility.

The amendments are applied retroactively to Oct. 1, 2017, and through May 5, 2025, or prospectively as noted.

A summary of the changes are as follows:

- A new Section 60 establishes the order of operations for incentive pay and provides examples of compounding calculations.
- Section 10 clarifies eligibility criteria, and the cumulative nature of Educational Certificate Pay.

- Section 13 clarifies longevity eligibility and ensures consistent application both retroactively and prospectively.
- Section 17 is amended prospectively to include Dec. 24 as an additional paid scheduled holiday.

This Side Letter of Agreement provides the necessary clarification to confirm that the identified forms of special compensation are pensionable under CalPERS rules and ensures that the county and LEM remain in compliance while upholding the parties' mutual intent.

Approval of this Side Letter of Agreement will support accurate pension reporting, reinforce transparency in employee compensation and maintain compliance with CalPERS requirements.

SOURCE OF FUNDING:

General Fund (1100)

FINANCIAL IMPACT:

There is no direct additional financial impact to approving this Side Letter of Agreement.

STAFFING IMPACT:

There is no direct staffing impact to approving this Side Letter of Agreement.

OTHER AGENCY INVOLVEMENT:

Law Enforcement Management (LEM)
California Public Retirement System (CalPERS)

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may choose not to approve the Side Letter of Agreement. This is not recommended as compliance concerns would impact the agreed upon pensionable status of employee compensation.

ATTACHMENTS:

Attachment 1: Side Letter of Agreement between the County of Humboldt and the Law Enforcement Management Unit (7)

PREVIOUS ACTION/REFERRAL:

Meeting of: N/A

File No.: N/A