



DATE: October 7, 2025

TO: Mayor and City Council

FROM: Director of Human Resources

SUBJECT: Adopt Resolutions to Execute the following Side Letter of Agreements between the City of Hayward and the Hayward Fire Chiefs' Association ("HFCA"): Voluntary Employee Beneficiary Association (VEBA) Plan Side Letter of Agreement; Memoranda of Understanding (MOU), Section 12.01 Fire Education Incentive Program Side Letter of Agreement; MOU, Sections 13.06 and 13.07 Emergency Medical Technician (EMT) Certification/Emergency Medical Technician Paramedic (E.M.T.P.) Side Letter of Agreement

RECOMMENDATION

That the Council adopts the resolutions (Attachments II, III, and IV) for the side letter of agreements amending Hayward Fire Chiefs' Association (HFCA) VEBA participation p; MOU, Section 12.01 Fire Education Incentive Program; MOU, Section 13.06 Emergency Medical Technician (EMT) Certification; and MOU, Section 13.07 Emergency Medical Technician Paramedic Certification (E.M.T.P.).

BACKGROUND

A recent review of the MOU between the City and the HFCA, covering the contract term from July 1, 2024, through June 30, 2029, identified several discrepancies requiring updates. Specifically, revisions are needed to the VEBA side letter of agreement, an extension of the Education Incentive coverage period beyond the current contract, and the removal of expired language related to Paramedic Pay.

The update to the VEBA side letter of agreement is required to ensure compliance with IRS rules. The City has also identified discrepancies in MOU Section 12.01 (Fire Education Incentive Program), Section 13.06 (Emergency Medical Technician Certification), and Section 13.07 (Emergency Medical Technician Paramedic Certification). These appear to be oversights, as the original intent was to update the language during the most recent contract negotiations for the term July 1, 2024, through June 30, 2029. To address this, the City proposes correcting these provisions to ensure that eligible HFCA members are not negatively impacted upon retirement.

DISCUSSION

The City and the Union have met and discussed in good faith and agree to amend the VEBA side letter of agreement, MOU, Section 12.01 Fire Education Incentive Program, to retroactively cover the period beginning July 1, 2007, through June 30, 2024, and extends through the duration of the current MOU period of July 1, 2024, through June 30, 2029. MOU, Section 13.06 Emergency Medical Technician (EMT) Certification, and MOU, Section 13.07 Emergency Medical Technician Paramedic Certification (E.M.T.P.), for the current MOU period of July 1, 2024, through June 30, 2029.

The VEBA side letter of agreement between the City of Hayward and HFCA allows eligible employees to accumulate funds in a tax-exempt trust to pay qualified medical expenses, including certain post-retirement benefits. The City does not contribute to employee VEBA accounts. This amendment updates the side letter to accurately reflect the current provisions for required enrollment and participation, in compliance with IRS rules.

The side letter of agreement between the City of Hayward and HFCA amends MOU Section 12.01 (Fire Education Incentive Program) to retroactively cover the period from July 1, 2007, through June 30, 2024, and extends through the current MOU term of July 1, 2024, through June 30, 2029. Previous versions of this section tied the education benefit to years of service with the City, a structure that did not meet the requirements for special compensation under CalPERS regulations. In 2024, the language was amended to remove the years-of-service component; however, the amendment did not specify retroactive application. This side letter corrects that oversight to ensure that retiring members have all eligible compensation appropriately counted toward their retirement income.

The side letter of agreement between the City of Hayward and HFCA amends MOU Section 13.06 (Emergency Medical Technician Certification) and Section 13.07 (Emergency Medical Technician Paramedic Certification). The current MOU does not accurately reflect the agreement reached effective July 1, 2018, to roll the special pay for eligible employees with EMT and/or E.M.T.P. certification into base salary, with no separate special pay provided. No member of the unit has received compensation beyond the amount already incorporated into base salary; therefore, no overpayments have occurred. This side letter ensures that the MOU language is consistent with the established agreement and long-standing City practice.

FISCAL IMPACT

There is no fiscal impact associated with this report.

STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to one of the Council's Strategic Initiatives.

NEXT STEPS

Human Resources staff will work with CalPERS to address any related issues resulting from the amendments herein.

Prepared by: Marisa Guerrero, Human Resources Manager

Recommended by: Ian Tecson, Director of Human Resources

Approved by:



Jayanti Addleman, Interim City Manager