

SIDE LETTER TO THE
MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF FREMONT AND
FREMONT POLICE MANAGERS' ASSOCIATION

This Side Letter is entered into by and between the City of Fremont (City) and the Fremont Police Managers' Association ("Association"). (collectively "the parties") regarding contributions to the California Public Employees' Retirement System (CalPERS) for employees hired on or after January 1, 2013.

WHEREAS, in 2013, the parties agreed to modify the contribution paid by Classic and New Members an additional amount above the statutory required contribution, resulting in a total contribution of twelve percent (12%); and

WHEREAS, Chapter 5, Article I (C)(1)(e) of the parties MOU states the member contributions for New Members, stating that Tier 3 employees under PEPRA shall "contribute 50% of normal cost (currently 11.25%), plus an additional 0.75% contribution to the Employer PERS account, for a total employee contribution of 12%".

WHEREAS, in 2019, the City amended its contract with California Public Employees' Retirement System (CalPERS) to reflect the 0.75% additional contribution for New Members effective from and after June 15, 2014. At the time, the 0.75% additional contribution and the 50% of normal cost contribution still equaled 12%; and

WHEREAS, effective July 1, 2025, the required 50% of normal cost contribution for New Members increased from 11.25% to 11.75%, resulting in a total contribution of 12.5% when combined with the additional 0.75% contribution, and;

WHEREAS, the parties desire to clarify and adjust the additional contribution for New Members to maintain the intent of the 2013 agreement.

NOW THEREFORE, the parties agree as follows:

1. Required Employee Contribution

Employees hired on or after January 1, 2013, shall continue to contribute fifty percent (50%) of the normal cost as required by law.

2. Adjustment to Additional Contribution

The intent of the 2013 agreement and 2019 amendment was for new members to pay an additional contribution to equal a total contribution of twelve percent (12%). Therefore, effective July 1, 2025 or as soon as administratively feasible, the additional contribution for new members should be reduced to 0.25%.

3. Future Contribution Adjustments

The parties acknowledge that the required contribution for new members could exceed twelve percent (12%). In the future, as the requirement contribution fluctuates, the City will adjust the additional contribution so that the total new member contribution shall be the greater of:

- (a) the PEPRAs minimum contribution as required by law, or
- (b) twelve percent (12%).

4. CalPERS Contract Amendment

The City will amend its CalPERS contract to reflect that the total required CalPERS contribution shall be the greater of the PEPRAs minimum contribution as required by law or 12%.

5. Employee Reimbursement

Following execution and implementation of the CalPERS contract amendment, the City will reimburse each new member in a lump sum for any contributions made above twelve percent (12%) between June 29, 2025, and the pay period when the correction takes effect.

6. MOU Amendment

To provide clarity regarding the parties' intent for the additional member contribution, the parties agree modify the following sections of Chapter 5. Retirement, Article I. Retirement, Section C (1)(e) of the Association Memorandum of Understanding (MOU), as follows:

CHAPTER 5. RETIREMENT

ARTICLE I. RETIREMENT

C: EMPLOYEES HIRED ON OR AFTER JANUARY 1, 2013 – TIER 3

- 1. The City shall contract with CalPERS to create a third tier retirement system application to employees hired on or after January 1, 2013, subject to CalPERS requirements. The program shall contain the following features:

- e. Tier 3 employees shall contribute the greater of (a) the PEPRAs minimum contribution as required by law, or (b) twelve percent (12%). ~~50% of normal costs (currently 11.25%), plus an additional .75% contribution to the Employer PERS account, for a total employee contribution of 12%~~

The parties mutually recognize and acknowledge that the cost-sharing provisions provided herein satisfy the maximum cost-sharing terms set forth in Government Code section 20516.5.

This Agreement is executed by the Employer-Employee Representatives whose signatures appear below.

SIGNED FOR CITY

DocuSigned by:
Tina Gallegos
F7F0C08E183E44F...

Tina Gallegos
Human Resources Director
DATE: 04/10/2026 | 4:22 PM PDT

SIGNED FOR FPMA

Signed by:
Ramin Mahboobi
C1B22124C83D417...

Ramin Mahboobi
President
DATE: 04/02/2026 | 1:54 PM PDT

DocuSigned by:
Brian Stott
F6D9A2C4EE0E406...

Brian Stott
Assistant City Manager
DATE: 04/10/2026 | 5:02 PM PDT

DocuSigned by:
Peter Hoffmann
88A97CB44579426...

Peter Hoffmann
Attorney
DATE: 03/23/2026 | 10:40 AM PDT

APPROVED AS TO FORM AND LEGAL EFFECT:

Signed by:
Rafael E. Alvarado Jr.
EE9A43E42BB8414...

By: Rafael E. Alvarado, Jr.
City Attorney

DATE: 04/09/2026 | 4:23 PM PDT