

ATTACHMENT A
THE PROPOSED DECISION

BEFORE THE
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
STATE OF CALIFORNIA

In the Matter of the Calculation of Final
Compensation of:

STEVEN L. HALLAM,

Respondent,

and

CITY OF OAKDALE,

Respondent.

Case No. 2011-1103

OAH No. 2013080380

PROPOSED DECISION

This matter was heard before Administrative Law Judge Marcie Larson, State of California, Office of Administrative Hearings, on July 2, 2014, in Sacramento, California.

JeanLaurie Ainsworth, Senior Staff Counsel, represented the California Public Employees' Retirement System (CalPERS).

Steven L. Hallam (respondent) was present and represented himself.

Michael Botto, retired Interim City Administrator and Fire Chief, represented respondent City of Oakdale (Oakdale).

Evidence was received, the record was closed, and the matter was submitted for decision on July 2, 2014.

ISSUE

The issue on appeal is whether a \$500 per month automobile allowance respondent elected to have "rolled" into his base pay as the City Administrator for Oakdale, should be included in the calculation of respondent's final compensation for purposes of calculating his retirement allowance.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

FILED July 24, 20 14

Odessa Moore

PROCEDURAL FINDINGS

1. Respondent was employed as the City Administrator for Oakdale from November 27, 2006, until approximately May 6, 2011. On June 3, 2011, respondent signed and thereafter filed with CalPERS a Service Retirement Election Application (Application). At the time respondent filed the Application, he had 26 years of service credit. His retirement was effective June 9, 2011.

2. Oakdale is a public agency which contracts with CalPERS to provide retirement benefits for its eligible employees. The provisions of Oakdale's contract with CalPERS are contained in the Public Employees Retirement Law (PERL). (Gov. Code, § 20000 *et. seq.*)

3. On July 6, 2011, CalPERS notified Oakdale and respondent that after a review of respondent's compensation as reported by Oakdale, it was discovered that the reported compensation did not comply with the PERL. Specifically, CalPERS determined that additional compensation in-lieu of a monthly \$500 car allowance was improperly included in respondent's payrate of \$12,961 per month. Oakdale and respondent were informed that CalPERS used the payrate of \$12,461 per month for the calculation of his retirement benefits. Oakdale and respondent were notified that they could appeal CalPERS' decision.

4. By letter dated July 14, 2011, Oakdale appealed CalPERS' decision. Respondent appealed the decision by letter dated August 2, 2011.

5. On October 21, 2013, Karen DeFrank, Division Chief, Customer Account Services, CALPERS, signed and thereafter filed the Statement of Issues, in her official capacity.

FACTUAL FINDINGS

Respondent's Employment as the City Administrator for Oakdale

1. On November 27, 2006, respondent entered into a "City Administrator Employment Agreement" (Agreement), which sets forth the terms of respondent's employment with Oakdale. The Agreement was in effect until respondent's retirement on June 9, 2011. Under section 4 of the Agreement titled "Compensation," Oakdale agreed to provide the following relevant compensation and benefits to respondent:

A. Compensation & Required Employer Costs

(1) Base Salary

(a) The annual salary for the position of City Administrator shall initially be \$132,000.00. The City agrees to

increase the base salary compensation of the City Administrator six months after appointment as City Administrator to \$137,000.00.

[¶...¶]

(e) The City agrees to increase the compensation each year by the minimum of the average across the board cola [sic] increases granted to other employee units of the City.

B. Basic Benefits

[¶...¶]

(3) Automobile

The City Administrator shall be provided a monthly automobile allowance of \$500.00 in exchange for making a vehicle available for the City Administrator's own use and for City-related business and/or functions during, before and after normal work hours. By the City Administrator making the City Administrator's personal automobile available for use, the City Administrator is not precluded from using City vehicles for City business during, before, and after the normal workday on occasion, when appropriate. **At the City Administrator's option, the automobile allowance may be eliminated and the monthly stipend rolled into base salary.** If this option is selected by the Administrator, then the City is under no further obligation to offer the City Administrator an automobile allowance through the term of this contract. (Bolding added.)

Under section 5 of the Agreement titled "Security" Oakdale and respondent agreed to the following:

A. Pensions

[¶...¶]

(2) Public Employees Retirement System (PERS)

[¶...¶]

(b) For the purposes of PERS reporting, the City shall incorporate into the reported base pay as compensation earnable, but only to the extent, if any, that PERS will consider it to be compensation earnable, all payments to the City Administrator for the following: pay for performance, incentive payments, cafeteria plan contributions, City-paid employee portion of PERS, as well as Section 4.A(1) base pay.

2. On December 1, 2006, respondent approved and signed a "Personnel Action Form" (Form) which documented that his monthly salary of \$11,000 was increased to \$11,500. The "remarks" section states: "move \$500/month Automobile Allowance from allowance into base salary per Contract terms." The effective date of the personnel action was November 27, 2006, respondent's first day as the City Administrator.

3. On January 2, 2007, respondent approved and signed a Form which increased his monthly salary to \$11,720. The "remarks" section states: "Two percent raise (similar to Mgmt./Confidential) per Contract term on base salary. (\$11,000 base w/o auto)." The two percent raise was only applied to his \$11,000 base salary. The \$500 auto allowance was then added to the monthly salary. The pay increase was effective the same day respondent signed the Form.

4. On May 29, 2007, respondent approved and signed a Form which increased his monthly salary to \$12,136.67. Per the Agreement, after six months of employment, respondent received a \$5,000 per year pay raise. Divided by 12 months, the raise increased his monthly salary by \$416.67. The pay raise was effective the same day respondent signed the Form.

5. Effective July 1, 2007, respondent received a three percent cost of living increase (COLA). The Form which documented his pay increase states that his salary was raised to \$12,485.77, with a handwritten note next to the amount that lists "12,486." The "remarks" section states: "Base salary 11985.77 + vehicle allowance \$500.00." Respondent approved and signed the Form on December 11, 2007.

6. A second Form that documented the three percent COLA, which respondent signed on December 17, 2007, indicates that effective July 1, 2007, respondent's salary was changed from \$12,137 with a notation that reads: "11637 (base) +500 Vehicle allowance" and a new salary of \$12,486 with a notation that reads: "11986 (base) + Veh. Allowance."

7. On February 24, 2009, respondent approved and signed a Form which documented a \$475 per month step increase. The Form indicated that respondent's monthly salary changed from \$11,986 to \$12,461 with the amount of \$12,961 handwritten next to the typed amount of \$12,461. The "remarks" section states: "Per contract; plus \$500 per month auto allowance= \$12,961." The pay increase was effective on February 23, 2009.

8. On June 3, 2011, respondent signed and thereafter filed with CalPERS his Application, which listed his retirement date as June 9, 2011. Respondent's last day of employment with Oakdale was May 6, 2011.

Final Compensation Review Conducted by CalPERS

9. On June 21, 2011, CalPERS sent a letter to respondent which stated that his Application had been processed. The letter also stated that he would receive a monthly retirement benefit of \$7,340.23, with the caveat that the amount was an "approximation of the amount," he was eligible to receive and that CalPERS was awaiting final payroll information. The same day, CalPERS sent Oakdale a letter, which stated that respondent had been placed on the "Retirement Roll."

10. At hearing, Andrew McDuffie, Retirement Program Specialist II with CalPERS, testified that before the final calculation of a member's retirement benefit is determined, a review of the member's reported final compensation is verified. The purpose of the review is to ensure that compensation that is reported to CalPERS meets the requirements of the PERL and the applicable sections of the Code of Regulations.

11. The final review typically entails verifying the payroll compensation reported by the member's employer, which can be done by checking a publically available salary schedule for the member's position. CalPERS reviews any applicable memorandum of understanding (MOU), employment agreements or other documents or resolutions related to the member's pay. If there is pertinent information that cannot be located, CalPERS will send an inquiry to the member's employer to obtain additional information.

12. Mr. McDuffie testified that Lolita Lueras, Compensation Review Analyst in CalPERS' Compensation and Employer Review Unit, performed an initial review of respondent's final compensation. She did not testify at hearing.

13. On June 22, 2011, Ms. Lueras sent Mary Garello, an account and payroll technician for Oakdale, an email in which she asked for Ms. Garello's assistance concerning the payroll reported by Oakdale for respondent. Ms. Lueras stated that she "found the posted salary of \$12,461 on [Oakdale's] website however the payrate being reported is \$12,961." Ms. Lueras asked Ms. Garello to forward her a copy of respondent's Agreement.

14. The same day, Ms. Garello responded by email to Ms. Lueras' inquiry. Ms. Garello stated that that the posted rate did not include a car allowance that was "incorporated in his pay." She added that "this is the difference..." and that it "...was part of his contract on page 9 (3) Automobile."

Ms. Lueras responded to the email and informed Ms. Garello that the car allowance was not "reportable compensation." She instructed Ms. Garello that it should be "backed out" of CalPERS system and that "only the base pay should be reported." In response, Ms. Garello wrote that the "allowance for the automobile was stopped as per his contract and a

\$500 a month raise was given per his contract wording.” She added that the Agreement states that “...the automobile allowance may be eliminated and the monthly stipend rolled into base salary. This is the option [respondent] chose.”

15. On June 25, 2011, Ms. Lueras sent Ms. Garello an email in which she asked if there were “...any other employees that receive car allowance or the additional compensation in-lieu of car allowance?” In response, Ms. Garello wrote that respondent was the “...only one with this written into their contract.” She also wrote that “...all car allowances have been eliminated because of budget cuts and he was the only one to retain this.”

16. Based on the information obtained by Ms. Lueras, CalPERS determined that respondent’s compensation reported by Oakdale, did not comply with the PERL. In letters dated July 6, 2011, CalPERS notified Oakdale and respondent that the “additional compensation in-lieu of car allowance in the amount of \$500...” does not meet the definition of reportable compensation for retirement purposes. The letters stated that “[a]ll compensation reported to CalPERS must meet the definition of compensation as defined by Government Code section 20636 in order to qualify as reportable compensation for retirement purposes. The letters also stated in part, that:

Any compensation paid in addition to base pay must meet the definition of special compensation, which has been expressly approved by the CalPERS Board. The approved list of special compensation items can be found in the California Code of Regulations (CCR) 571(a). Payments in lieu of providing an agency vehicle are not included in that exclusive list.

All items listed in CCR 571(a) must then meet all criteria listed in CCR 571(b). Additional compensation in-lieu of car allowance does not meet all criteria listed in CCR 571(b), specifically:

(2) Available to all members in the group or class.

17. Michael Botto, Acting City Manager for Oakdale, sent a letter to CalPERS, dated July 14, 2011, in which he stated that Oakdale disputed CalPERS’ determination that respondent received “additional compensation” above his base pay. He also stated that the information posted on Oakdale’s website which listed \$12,461 per month as the salary for respondent’s position, was incorrect. At hearing, Mr. Botto testified that the correct salary was \$12,961 per month. His determination that the salary listed on Oakdale’s website was incorrect was based on his review of respondent’s Agreement. Mr. Botto testified that after Oakdale received the July 6, 2011 letter from CalPERS regarding salary information for respondent’s position posted on Oakdale’s website, the salary listed on the website was changed to \$12,961.

18. In June 2014, Mr. McDuffie conducted a review of respondent's final compensation, which included a review of the information gathered by Ms. Lueras. Based on his review, Mr. McDuffie also determined that Oakdale improperly included a \$500 per month auto allowance in respondent's final compensation pay reported to CalPERS. Mr. McDuffie's determination was based on several factors. First, Oakdale reported to CalPERS that respondent's monthly pay was \$12,961. However, in June 2011, Oakdale's publically available salary schedule listed the top monthly salary for respondent's position as \$12,461, exactly \$500 less per month than Oakdale reported to CalPERS. This information supported Mr. McDuffie's determination that \$500 per month auto allowance was not part of respondent's base salary.

Second, Mr. McDuffie reviewed the personnel action forms which documented respondent's pay raises. In each instance that respondent received a COLA or step increase, the pay increases were applied to his base pay, and the \$500 auto allowance was then added to the base pay. This personnel action forms demonstrate that the auto allowance was not eliminated or rolled into his base salary, as stated in the Agreement. Mr. McDuffie determined that Oakdale converted the auto allowance to payrate, which is prohibited. Mr. McDuffie also testified that California Code of Regulations section 571, subdivision (a), lists items of special compensation that can be added to a member's payrate to create "compensation earnable" that is reported to CalPERS. An auto allowance does not qualify as special compensation.

Finally, Mr. McDuffie determined that the language in respondent's Agreement, which allowed him to eliminate the auto allowance and have it rolled into his base pay, is not allowed. The auto allowance would be considered part of final settlement pay that Oakdale attempted to convert to payrate, which is prohibited.

Respondent's Testimony

19. Respondent testified that prior to his appointment as City Administrator, he held the position of Community Development Director for Oakdale. In that position he was given an auto allowance, which required extra timekeeping due to the Internal Revenue Service tax laws. When he was appointed to the position of City Administrator he was aware that Oakdale had routinely negotiated with its incoming city administrators a separate auto allowance as additional compensation.

20. Respondent testified that he was not interested in receiving the \$500 per month auto allowance that was offered to him. As a result, he negotiated the terms of his Agreement to provide that the total compensation offered to him by Oakdale included an additional stipend made payable to him as "compensation or allowance" to pay the costs of vehicle use associated with his position. Specifically, he requested that the Agreement at section 4(b)(3) under "Automobile" include the final two sentences, which gave him the option to eliminate the auto allowance and have the \$500 per month stipend "rolled" into his base pay. Respondent elected the option to eliminate the auto allowance and have his base pay increased by \$500 per month, which amounted to a four and one-half percent pay

increase. Oakdale and respondent paid to CalPERS retirement contributions based on his full pay, which included the additional \$500 per month.

21. Respondent also testified that historically, the publically available salary schedule for Oakdale's City Administrator position at various times stated "contract" in place of a monthly salary range. The term "contract" was listed because Oakdale negotiated contracts with its city administrators. He contends the salary schedule on Oakdale's website in June 2011 incorrectly listed the monthly pay for his position as \$12,461. Respondent contends that Oakdale correctly reported his monthly salary of \$12,961 to the State Controller's Office in 2009. Respondent testified that as a result of public pay scandals, the State Controller's Office directed all public agencies, including cities and counties, to provide information concerning the pay for each classification of employees, including base pay, and special pay. Respondent produced an excerpt from the State Controller's Office published report from 2009, which listed the "Annual Maximum Salary" for respondent's position as \$155,532 per year, which amounts to \$12,961 per month.

22. Respondent contends that neither he nor Oakdale took any action to artificially inflate his base pay or attempt to "spike" his base salary for purposes of establishing a higher level of compensation for retirement calculation purposes. He elected to eliminate the auto allowance effective the first day of his employment as the City Administrator. He received no additional pay or compensation as any allowance or reimbursement for vehicle expenses.

LEGAL CONCLUSIONS

1. Respondent and Oakdale have the burden of proof to establish that he is entitled to the retirement allowance that he seeks. (See *McCoy v. Board of Retirement* (1986) 183 Cal.App.3d 1044, 1047; *Harmon v. Board of Retirement* (1976) 62 Cal.App.3d 689, 691.) Any ambiguity or uncertainty in the meaning of the pension legislation must be resolved in favor of the pensioner, but such construction must be consistent with the clear language and purpose of the statute. (*Ventura County Deputy Sheriffs' Assn. v. Board of Retirement* (1997) 16 Cal.4th 483, 490.)

2. CalPERS is a prefunded defined benefit retirement plan. (*Oden v. Board of Administration* (1994) 23 Cal.App.4th 194, 198). The formula for determining a member's retirement benefit takes into account: (1) years of service; (2) a percentage figure based on the age on the date of retirement; and (3) "final compensation" (Gov. Code, §§ 20042, 21354; *City of Sacramento v. Public Employees Retirement System* (1991) 229 Cal.App.3d 1470, 1479.)

3. Government Code section 20037 defines "final compensation" in relevant part as:

...the highest average annual compensation earnable by a member during the three consecutive years of employment

immediately preceding the effective date of his or her retirement or the date of his or her last separation from state service if earlier or during any other period of three consecutive years during his or her membership in this system which he or she designates in his or her application for retirement...

4. Government Code section 20630 defines "compensation" as the remuneration paid out of funds controlled by the employer in payment for the member's services performed during normal working hours or for time during which the member is excused from work because of holidays, sick leave, industrial disability leave, vacation, compensatory time off, and leave of absence. The definition of "compensation" as set forth in Government Code section 20630 supersedes any contrary definition that may be stated in an agreement between an employer and an employee. (See *Oden, supra*, 23 Cal.App.4th at p. 201.) Pursuant to Government Code section 20360, respondent's compensation for retirement allowance calculation may be no more than his "compensation earnable," as that term is defined in Government Code section 20636. (Gov. Code, § 20630, subds. (a) & (b).)

5. "Compensation earnable" is composed of (1) payrate, and (2) special compensation, as defined in Government Code section 20636. Specifically, Government Code section 20636, subdivision (b) defines "payrate" as follows:

(1) "Payrate" means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours. "Payrate" for a member who is not in a group or class, means the monthly rate of pay or base pay of the member, paid in cash and pursuant to publicly available schedules, for services rendered on a full-time basis during normal working hours, subject to the limitations of paragraph (2) of subdivision (e).

6. A "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. One employee may not be considered a group or class. (Gov. Code, § 20636, subd. (e)(1).)

"Increases in compensation earnable granted to an employee who is not in a group or class shall be limited during the final compensation period applicable to the employees, as well as the two years immediately preceding the final compensation period, to the average increase in compensation earnable during the same period reported by the employer for all employees who are in the same membership classification..." (Gov. Code, § 20636, subd. (e)(2).)

7. "Special compensation of a member includes a payment received for special skills, knowledge, abilities, work assignment, workdays or hours, or other work conditions."

(Gov. Code, § 20636, subd. (c)(1).) “Special compensation” is limited to that which is received by a member pursuant to a labor policy or agreement or as otherwise required by state or federal law, to similarly situated members of a group or class of employment that is in addition to payrate. If an individual is not part of a group or class, special compensation is limited to that which the Board determines is received by similarly situated members in the closest related group or class that is in addition to payrate, subject to the limitations of paragraph (2) of subdivision (e). (Gov. Code, § 20636, subd. (c)(2).)

8. “The board shall promulgate regulations that delineate more specifically and exclusively what constitutes ‘special compensation’ as used in this section. A uniform allowance, the monetary value of employer-provided uniforms, holiday pay, and premium pay for hours worked within the normally scheduled or regular working hours that are in excess of the statutory maximum workweek or work period applicable to the employee . . . shall be included as special compensation and appropriately defined in those regulations.” (Gov. Code, § 20636, subd. (c)(6).)

9. Special compensation does not include: “(A) final settlement pay, (B) payments made for additional services rendered outside of normal working hours, whether paid in lump sum or otherwise, or (C) other payments the board has not affirmatively determined to be special compensation.” (Gov. Code, § 20636, subd. (c)(7).)

10. California Code of Regulations, title 2, section 570 defines “final settlement pay” to mean any pay or cash conversions of employer benefits in excess of compensation earnable, that are granted or awarded to a member in connection with or in anticipation of a separation from employment. Final settlement pay may take the form of any item of special compensation not listed in Section 571. It may also take the form of a bonus, retroactive adjustment to payrate, conversion of special compensation to payrate, or any other method of payroll reported to CalPERS. Final settlement pay is excluded from payroll reporting to CalPERS, in either pay rate or compensable earnable. (Gov. Code, § 20636, subd. (f).)

11. California Code of Regulations, title 2, section 571 exclusively identifies and defines special compensation items for members employed by a contracting agency that must be reported to CalPERS if they are contained in a written labor policy or agreement. (Cal. Code Regs., tit. 2, § 571, subd. (a).) An automobile allowance is not included in the list of approved special compensation. Additionally, all of the items of special compensation listed in California Code of Regulations, title 2, section 571, subdivision (a), must be available to all members of the group or class. (Cal. Code Regs., tit. 2, § 571, subd. (b).)

12. California Code of Regulations, title 2, section 571, subdivisions (c) and (d) provide:

(c) Only items listed in subsection (a) have been affirmatively determined to be special compensation. All items of special compensation reported to PERS will be subject to review for

continued conformity with all of the standards listed in subsection (b).

(d) If an item of special compensation is not listed in subsection (a), or is out of compliance with any of the standards in subsection (b) as reported for an individual, then it shall not be used to calculate final compensation for that individual.

13. Furthermore, Government Code section 20636, subdivision (g)(4)(I) specifically excludes an auto allowance from being considered as payrate or special compensation.

14. Government Code section 20636, subdivision (b) defines a member's "payrate." The evidence established that the \$500 per month pay increase was not part of respondent's payrate. Respondent's base salary did not include the \$500 per month increase. No other employee of Oakdale was allowed to convert their auto allowance to base salary, as required for the additional \$500 per month paid to respondent to be considered "payrate."

Furthermore, for a member who is not part of a group or class of employees, CalPERS may rely on a publically available salary schedule to determine the member's payrate. In respondent's case, CalPERS properly relied on Oakdale's publicly available salary schedule from June 2011, which listed respondent's pay as \$12,461 per month. Mr. Botto's testimony that the salary schedule on Oakdale's website was incorrect, based on his review of respondent's Agreement, was not persuasive. The personnel forms demonstrate that at the time respondent filed his Application, the personnel action forms documented that his base salary was \$12,461.

The definition of "payrate" does not include increases in an employee's pay for an auto allowance and Government Code section 20636, subdivision (g)(4)(I) specifically excludes an auto allowance from a member's payrate. Consequently, the \$500 additional monthly compensation Oakdale paid respondent for an auto allowance should not be included in his payrate.

15. In addition, the additional \$500 per month does not constitute "special compensation" as that term is defined in Government Code section 20636, subdivision (c). California Code of Regulations, title 2, section 571, subdivision (a) sets forth the exclusive list of payments that the Board has designated as "special compensation." The list does not include payments to an employee for an auto allowance. In addition, compensation in-lieu of the auto allowance does not meet all criteria listed in California Code of Regulations, title 2, section 571, subdivision (b), because no other employee of Oakdale was allowed to convert an auto allowance to base pay. Finally, Government Code section 20636, subdivision (g)(4)(I) specifically excludes an auto allowance from the definition of "special compensation."

16. CalPERS' contends that precedential decision *In the Matter of the Appeal Regarding the Final Compensation of: Craig F. Woods and Tahoe-Truckee Sanitation Agency* (Precedential Decision 12-01.) is instructive in respondent's case.¹ The issue in *Woods*, in part, was whether an auto allowance should be included as part of "compensation earnable" for purposes of calculating the employee's retirement allowance. In the *Woods* case, the amount of his auto allowance was converted into his hourly compensation during the last five months of his employment. *Woods* determined that converted benefit was an "...impermissible salary increase..." *Woods* stated the "...restructuring of components of compensation does not alter the nature of the pay." *Woods* excluded the auto allowance from the final calculation of the employee's retirement allowance.

Respondent contends that his case is distinguishable from *Woods*. Respondent argues that unlike the employee in *Woods*, he never received an auto allowance because he elected to have the allowance eliminated and the amount "rolled" into his base pay. He also denied that his decision to eliminate the auto allowance and roll the amount into his base pay was designed to inflate his retirement allowance.

While the facts of *Woods* are in part distinguishable from the respondent's case, the principles of *Woods* apply. The restructuring of respondent's auto allowance to be "rolled" into respondent's pay did not alter the nature of the pay. Despite respondent's contention that the Agreement eliminated his auto allowance and converted the \$500 per month allowance to base pay, the personnel forms demonstrate otherwise. The auto allowance was not eliminated. Respondent's base pay was consistently separated from the \$500 auto allowance when he received COLAs and step increases. Notations were made on the personnel forms which specifically identified the \$500 as an auto allowance. Additionally, any attempt by Oakdale and respondent to convert the auto allowance to payrate is prohibited and would constitute final settlement pay. (Gov. Code, § 20636, subd. (f); Cal. Code Regs., tit. 2, § 570.)

17. The matters set forth in Factual Findings and Legal Conclusions have been considered. Respondent and Oakdale did not meet their burden to establish that the \$500 per month automobile allowance respondent elected to have "rolled" into his base pay as the City Administrator for Oakdale should be included in the calculation of respondent's final compensation for purposes of calculating his retirement allowance.

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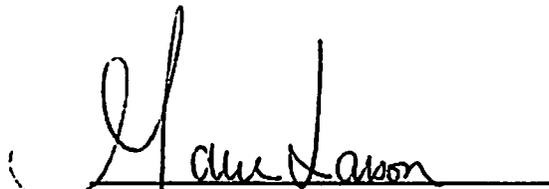
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¹ The *Woods* decision was designed by CalPERS as "precedential" pursuant to Government Code section 11425.60.

ORDER

The appeal of Steven L. Hallam and the City of Oakdale to include the \$500 per month automobile allowance into respondent Hallam's final compensation, for purposes of calculation of his retirement allowance, is **DENIED**.

DATED: July 21, 2014


MARCIE LARSON
Administrative Law Judge
Office of Administrative Hearings