

Letter of Agreement
Between
The City of Sonora
And
Sonora Employees Association (SEA)

Regarding FY **2021–2025 Sonora Employees' Association (“SEA”) Memorandum of Understanding (“MOU”)** Sections: Longevity – Section 2 – Increase Within Range; Payment For Licenses, Certifications, and Degrees – Section 17

This Letter of Agreement is entered into by and between the City of Sonora (“City”) and the Sonora Employees Association (“SEA”), collectively referred to as “the Parties.”

The purpose of this Agreement is to clarify specific provisions within the FY 2021–2025 Memorandum of Understanding (MOU) to ensure that certain forms of compensation meet the criteria for reportable “Special Compensation” under the California Code of Regulations (CCR), Title 2, Sections 571 (Classic Members) and 571.1 (PEPRA Members) in conformity with past practice of the Parties, and to reaffirm the City’s and SEA’s mutual intent that these benefits are administered in compliance with applicable CalPERS rules.

Sections Clarified:

- **Section 2 – Longevity Pay**
- **Section 17 – Education Incentive**

The Parties agree to amend the Sections at issue as follows:

SECTION 2 - INCREASE WITHIN RANGE – LONGEVITY

B (4). Employees shall receive a longevity benefit after the completion of ten (10) years of continuous service at the City (from the service date), and each five (5) years of continuous service thereafter. Such benefit shall be at two and one-half percent (2.5%) of the adjusted base pay for each five-year increment. The longevity benefit is automatic and is not based on merit. Percentages shall be compounded.

Each 2.5% longevity increase is applied to the adjusted base pay. Percentages shall be compounded, as illustrated in the following examples:

10-Year Longevity: $\$50,000 \times 2.5\% = \$1,250$. Adjusted Salary = $\$51,250$

15-Year Longevity: $\$51,250 \times 2.5\% = \$1,281.25$. Adjusted Salary = $\$52,531.25$

20-Year Longevity: $\$52,531.25 \times 2.5\% = \$1,313.28$. Adjusted Salary = $\$53,844.53$

SECTION 17. PAYMENT FOR LICENSES, CERTIFICATIONS, AND DEGREES

1. Subject to the limitations below, the City agrees to provide an increase to Association employees' adjusted base pay as an education incentive. Employees shall receive compensation for educational achievements that enhance their ability to perform their job duties. Degrees and certificates must be approved through a formal evaluation program and must not be required for the employee's current job classification. The following achievements shall be eligible for a 2.5% compounding pay increase are as follows:

- Associate's Degree
- Bachelor's Degree
- Master's Degree
- *Class B Commercial License
- I.S.A. Arborist
- State of California Pest Control Advisor's License
- State of California Pesticide Applicators License
- CalTrans Traffic Signal
- Small Engine Mechanic
- **Fire Mechanic

*To qualify, existing employees must also possess a "Tank Endorsement" and must have no restriction on transmissions or brakes. There will be a maximum of three (3) Class B Commercial License incentives assigned.

**To qualify, existing employees who meet the qualifications for Fire Mechanic I, must show documentation of previous fire apparatus repair experience by providing proof of the education instruction and experience requirements equivalent to Fire Mechanic I certification by the Office of the State Fire Marshall (OSFM). To maintain eligibility, every three (3) years, the employee must successfully complete, and provide proof of, a minimum of thirty-six (36) hours of approved continuing education through the California Fire Mechanics Academy. For all other employees to qualify for this certificate pay, they must obtain a Fire Mechanic I certification from the Office of the State Fire Marshall (OSFM). To maintain eligibility, every three (3) years, the employee must successfully complete, and provide proof of, a minimum of thirty-six (36) hours of approved continuing education through the California Fire Mechanics Academy.

2. Employees shall only be compensated for the highest degree obtained from a public or private post-secondary institution that has received state approval to award the above degrees and that has been pre-approved by the Department Head and the City Administrator; the incentive shall not be cumulative. Percentages shall be compounded.

Multiple degrees at the same educational level will not be recognized. For example, an employee who has two Bachelor's Degrees will only receive compensation for one degree.

3. The maximum number of compensated licenses, certificates, or degrees an employee may possess is no more than three (3) total, not to exceed a maximum of seven-and-one-half percent (7.5%) additional pay (compounded as illustrated below).

4. Verification of the degree must be made to the City Administrator. The original degree or an original letter from the college granting said degree must be produced to qualify for the educational incentive benefit. Upon receipt of an employee's verified degree, the City Administrator will evaluate and approve the degree through a formal program designed to ensure that the degree enhances the employee's ability to perform their job.

Each 2.5% education pay increase is applied to the adjusted base pay. Percentages shall be compounded, as illustrated by the following examples:

Associate's Degree: $\$50,000 \times 2.5\% = \$1,250$. Adjusted Salary = $\$51,250$

Bachelor's Degree: $\$51,250 \times 5.0\% = \$1,281.25$. Adjusted Salary = $\$52,531.25$

Master's Degree: $\$52,531.25 \times 7.5\% = \$1,313.28$. Adjusted Salary = $\$53,844.53$

SECTION 17.5

Subject to any applicable restrictions, Longevity and Education incentive compensation shall be compounded based on the order in which the employee is eligible for the incentives. Compounding means that each percentage increase is applied to the employees' adjusted base pay after any prior increases have been added.

For example: Total Compensation = Base Pay + Educational Pay + Certification Pay + Longevity Pay

The compensation is paid as earned for normally required duties performed during normal work hours. It is not compensation in lieu of overtime or in lieu of other benefits that are excluded from consideration under the statutes and regulations of the Public Employees Retirement System. If a salary adjustment occurs during a fiscal year, the longevity incentive, education incentive, and certificate pay incentive shall be recalculated as of the effective date of the adjustment. All special compensation shall be administered as per 2 C.C.R. 571(a)(1). All percentages shall be compounded. See attached Salary Schedule.

The mandated order of application shall be Education Pay, Certificate Pay, and then Longevity Pay.

The City and SEA affirm that this Letter of Agreement is intended to clarify, not modify, the original intent of the MOU and is not intended to change the past practice of the Parties.

Except as expressly modified by this Side Letter, all terms, conditions, and provisions of the Memorandum of Understanding (MOU) between the City of Sonora and the SEA bargaining unit, effective 2021 - 2025, shall remain in full force and effect.

This Agreement shall be effective upon execution by both Parties.

Signature Page to Follow