

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

Regarding FY **2024–2029 Sonora Management Employees' Association (“SMEA”) Memorandum of Understanding (“MOU”) Sections: Longevity – Article 5;**
Education Incentive – Article 7; Certificate Pay – Article 7.1.

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

The purpose of this Agreement is to clarify specific provisions within the FY 2024–2029 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 SMEA’s mutual intent that these benefits are administered in compliance with applicable CalPERS rules.

Sections Clarified:

- **Article 5 – Longevity Pay**
- **Article 7 – Section 7.2 and Section 7.4**
- **Article 7.1 – Certificate Pay**

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

ARTICLE 5 - INCREASE WITHIN RANGE – LONGEVITY

6. Employees shall receive a longevity benefit after the completion of ten (10) years of service (from the service date), and each five (5) years 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.

For example: Each 2.5% longevity increase is applied to the adjusted base pay. Percentages shall be compounded.

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

ARTICLE 7. MANAGEMENT EDUCATION INCENTIVE

Section 7.4 Degree Incentive Pay

1. 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. Eligible achievements and their corresponding pay increases are as follows:

- Associate's Degree - 2.5%
- Bachelor's Degree - 5.0 %
- Master's Degree/Certified Public Accountant 7.5%
- Doctorate - 10.0%

2. Employee 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 approved by 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. 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.

For example: Each 2.5% education pay increase is applied to the adjusted base pay. Percentages shall be compounded.

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

Bachelor's Degree: $\$50,000 \times 5.0\% = \$2,500$. Adjusted Salary = \$52,500

Master's Degree: $\$50,000 \times 7.5\% = \$3,750$. Adjusted Salary = \$53,750

Section 7.2 Fire Certificates

Fire Inspector and Investigator Education Incentives

Employees shall receive an increase in their adjusted base pay as set forth below for possessing the following Certificates when the City Administrator, using a formal program or system to evaluate and approve such Certificates, determines the Certificate enhances the employee's ability to do their job:

1. Fire Inspector: 2.5%
2. Fire Investigator: 5.0%
3. State Fire Training Officer: 2.5%
4. Company Officer: 2.5%

ARTICLE 7.1 MANAGEMENT CERTIFICATE AND ASSIGNMENT INCENTIVES

1. P.O.S.T. Certificates

The current Police Lieutenant and Police Chief as of the execution of this Agreement shall receive a two and one-half percent (2.5%) increase in their adjusted base pay (percentages shall be compounded) for possession of any of the following valid P.O.S.T. Certificates, however, as of July 1, 2024, Certificates required for the employee's position, as specified in the applicable job description, shall not be eligible for incentive pay:

- a. Basic P.O.S.T. (only for Employees whose first date of paid service within the SMEA Unit was prior to July 1, 2013. Certificate eliminated for all Employees whose first date of employment was on or after July 1, 2013.)
- b. Intermediate P.O.S.T. Certificate
- c. Advanced P.O.S.T. Certificate
- d. Supervisory P.O.S.T. Certificate
- e. Management P.O.S.T. Certificate

Police Employees hired after July 1, 2024, shall be entitled to the two and one-half percent (2.5%) incentive for possessing any P.O.S.T. Certificate(s) identified above that are not required pursuant to the applicable job description, even if subordinate to the Certificate required.

For example: Each 2.5% certificate pay increase is applied to the adjusted base pay. Percentages shall be compounded.

Intermediate P.O.S.T. Cert: $\$50,000 \times 2.5\% = \$1,250$. Adjusted Salary = \$51,250

Advanced P.O.S.T. Cert: $\$51,250 \times 2.5\% = \$1,281.25$. Adjusted Salary = \$52,531.25

Supervisory P.O.S.T. Cert: $\$52,531.25 \times 2.5\% = \$1,313.28$. Adjusted Salary = \$53,844.53

*Note: The Basic P.O.S.T. Certificate is only applicable to employees hired before July 1, 2013. It is not available to employees hired on or after that date.

SECTION 7.5.5

Subject to any applicable restrictions, Longevity, Education, Certificate, and Assignment 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 + Certificate 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 SMEA 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 SMEA bargaining unit, effective 2024 - 2029, shall remain in full force and effect.

This Agreement shall be effective upon execution by both Parties.

Signature Page to Follow

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

SONORA MANAGEMENT EMPLOYEES' ASSOCIATION

Aimee New, President

CITY OF SONORA

Ann Segerstrom, Mayor

Melissa Eads, City Administrator

ATTEST:

Tracy Skelly, City Clerk

Signed and dated: _____