

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

Regarding FY **2021–2025 Sonora Confidential Employees' Association (“SCEA”) Memorandum of Understanding (“MOU”) Sections: Longevity – Section 2.4; Education Incentive – Section 4**

This Letter of Agreement is entered into by and between the City of Sonora (“City”) and the Sonora Confidential Employees Association (“SCEA”), 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 SCEA’s mutual intent that these benefits are administered in compliance with applicable CalPERS rules.

Sections Clarified:

- **Section 2.4 – Longevity Pay**
- **Section 4 – Education Incentive**

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

SECTION 2.4 - 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

SECTION 4. EDUCATION INCENTIVE

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 4.4

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 + 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, and then Longevity Pay.

The City and SCEA 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 SCEA 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

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The City of Sonora
And
Sonora Confidential Employees Association (SCEA)

SONORA CONFIDENTIAL EMPLOYEES' ASSOCIATION

Tracy Skelly, President

CITY OF SONORA

Ann Segerstrom, Mayor

Melissa Eads, City Administrator

ATTEST:

Tracy Skelly, City Clerk

Signed and dated: _____