

Letter of Agreement #4
Between City of Colton and
The Teamsters, Local 1932 Mid-Manager Employees Unit

WHEREAS, the City of Colton ("CITY") and the Teamsters, Local 1932 Mid-Manager Employees Unit ("MID-MANAGER") (collectively, the "PARTIES") are parties to a Memorandum of Understanding ("MOU") that is in effect from January 1, 2021 to June 30, 2026, and governs generally the wages, hours and other terms and conditions of employment of the classifications represented by the MID-MANAGER;

WHEREAS, Article II of the MOU provides for the terms of compensation for MID-MANAGER members;

WHEREAS, Article II, Section 16: Incentive Pay of the MOU provides for the terms of additional compensation related to certificates, licenses, and degrees for MID-MANAGER members;

WHEREAS, the California Public Employees' Retirement System has determined that the language in Section 16 is not compliant with Title 2 California Code of Regulations sections 571 and 571.1 of the Public Employees' Retirement Law ("PERL");

WHEREAS, the PARTIES have met and conferred in good faith and have reached an agreement to establish clarifications to Section 16: Incentive Pay in order to comply with the PERL;

WHEREAS, the PARTIES wish to clarify that the approval process for certificates and degrees require confirmation of the certificate or degree and that the certificate or degree enhances and employee's ability to perform their normal job functions; and

WHEREAS, the PARTIES wish to clarify that compensation for licenses is not compliant educational incentive as defined in the PERL and will not be used in pension calculations.

THEREFORE, IT IS AGREED AS FOLLOWS:

1. Article II (Compensation), Section 16 (Incentive Pay) shall be revised in its entirety as follows:

"Effective January 1, 2021, the City agrees to pay an additional five percent (5%) of base pay for any certificate or Associate of Arts degree, Bachelor's degree, or Master's degree from an accredited college or university above or beyond that which is required as part of the minimum requirements for the job when it enhances and employee's ability to perform the normal job functions of their position. The incentive pay must be tied to the job description and is subject to confirmation by the City that the education enhances an employee's ability to perform the normal job functions of their position.

For example: the Accountant position in the City requires a higher education degree, preferably a bachelor's degree. If an Accountant obtains a certificate in accounting (usually 12 units) this would not qualify for the incentive pay as the education component is already inherent within the job requirements. However, if an Accounting Technician I were to receive a generally accepted accounting certificate from a college or university, the incentive pay may be considered as appropriate since an education preference is not inherent within the job requirements and would enhance an employee's ability to perform their normal job functions.

The City agrees to pay an additional five percent (5%) of base pay for any license (generally accepted within the respective field) above or beyond that which is required as part of the minimum requirements for the job. The incentive pay must be tied to the job description and is subject to recommendation by the Department Director with approval by the Human Resources Director or designee and the City Manager.

To the extent that compensation for a degree or certificate qualifies as "educational incentive" special compensation under Title 2 California Code of Regulations sections 571 and 571.1 of the Public Employees' Retirement Law, it shall be reported to CalPERS as additional compensation for use in retirement calculations. However, any compensation paid to an employee that is related to any license pay as described in the paragraph above shall not be reported as additional compensation to CalPERS, since it does not meet the definition of "educational incentive."

Incentive Pay is non-cumulative and the maximum compensation an employee is eligible to receive is five percent (5%)."

2. This Letter of Agreement shall be in effect retroactively as of January 1, 2021.
3. All other provisions in Article II of the MOU shall remain in full force and effect.

WE AGREE TO THE ABOVE:

CITY OF COLTON



William R. Smith
City Manager

4/10/2020
Date

TEAMSTERS, LOCAL 1932 MID-MANAGER EMPLOYEES UNIT



Juan Delgado
Teamsters Unit Representative

3/4/26
Date