

**Side Letter Agreement
Between the
City of Roseville
And
International Union of Operating Engineers, Stationary Engineers, Local 39**

Reporting of Special Compensation to CalPERS

The City of Roseville (hereinafter referred to as "City") and International Union of Operating Engineers, Stationary Engineers, Local 39 (hereinafter referred to as "Local 39") entered into a Memorandum of Understanding ("MOU") with a term beginning January 1, 2022, and terminating on December 31, 2023. The City and Local 39 are collectively referred to herein as the "Parties."

Background: Longevity

Prior to February 2007 the City included longevity and certification pay into the employees hourly rate. In February 2007, CalPERS required the City to separate out the hourly rate from the longevity and certification pays to adhere to CalPERS reporting requirements. The certification pays active at the time were grandfathered in to calculate on the hourly rate as well as longevity. Subsequently, the longevity provision was renamed "Service Term Bonus." The City was recently notified by CalPERS that since these certification pays are not explicitly noted in the MOU as being applied to longevity (i.e., Service Term Bonus), it is not allowable to continue reporting that compensation to CalPERS. Based on the foregoing, the Parties propose this Side Letter Agreement ("Agreement") to specifically spell out the certification pays that are calculated on longevity so the compensation can continue to be reported to CalPERS correctly.

The intent of this Agreement is to capture the City's practice and does not result in any additional or reduced compensation for employees, nor any change to the reported compensation to CalPERS. This Agreement is required in order to memorialize the City's past practice, so the certification pays calculated on longevity and reported to CalPERS as special compensation for employees hired prior to February 6, 2016, will continue to be included by CalPERS in the calculation of their eligible retirement earnings. After February 6, 2016, the City and Local 39 reached agreement that the service term bonus would be a lump sum payment based on base pay once employees hired after that date reach the required the service term.

The specific provisions contained in this Agreement are intended to supersede any previous agreements, whether oral or written, regarding the matters contained in this Agreement.

The Parties have satisfied their obligations to meet and confer in good faith in accordance with the Meyers-Milias-Brown Act ("MMBA"). Except as provided here, all wage, hours, and other terms and conditions of employment presently in the City's MOU and SLAs with the Local 39 remain in full force and effect.

THEREFORE, the Parties mutually agree and establish specific MOU language in the Local 39 MOU, Chapter 2, as follows:

ARTICLE II. SERVICE TERM BONUS

City will provide the following service term bonus:

1. Employees hired prior to February 6, 2016:

SERVICE TERM	ANNUAL BONUS AMOUNT
Beginning of the 10th year	2.5% of base salary
Beginning of the 15th year	An additional 2.5% of base salary

Such service term bonus shall be included in each eligible employee's biweekly payroll.

2. Effective February 17, 2007, for employees hired before February 6, 2016, the following certification pays will be calculated on longevity and reported to CalPERS as special compensation.

- [Arborist Certification](#)
- [Certified Pool Operator Certification](#)
- [Commercial Driver's License Certification](#)
- [Crane Operator Certification](#)
- [Certified Pesticide Applicator Certification](#)
- [Playground Safety Certification](#)
- [Professional Engineers Certification](#)

23. Employees hired on or after February 6, 2016 who receive a satisfactory or above annual performance review shall be eligible for an annual lump sum performance bonus as follows:

Service Term	Annual Bonus Amount
Beginning of 10th year to completion of 14th year	2.5% of employee's base salary
Beginning of 15th year and every year thereafter	5.0% of employee's base salary

The annual lump sum performance bonus shall be paid with the first full pay check in January each year based upon the employee's base salary for the first full pay period in November of each year.

The parties mutually agree to include this in the successor Memorandum of Understanding.

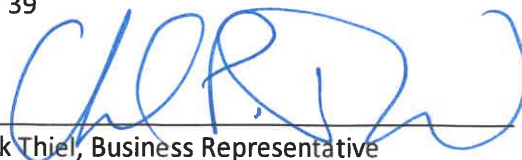
Date: 1-1-22

City:



Dominick Casey, City Manager

International Union of Operating Engineers,
Local 39



Chuck Thiel, Business Representative