



**MEMORANDUM OF UNDERSTANDING (M.O.U.)**

**BETWEEN**

**THE CITY OF UPLAND**

**AND**

**THE UPLAND MID-MANAGEMENT EMPLOYEES UNIT,  
REPRESENTED BY THE SAN BERNARDINO PUBLIC  
EMPLOYEES ASSOCIATION (SBPEA)**

*July 1, 2012 to June 30, 2013*

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THE CITY OF UPLAND  
AND  
THE UPLAND MID-MANAGEMENT EMPLOYEES UNIT,  
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EMPLOYEES ASSOCIATION (SBPEA)  
JULY 1, 2012 – JUNE 30, 2013**

**ARTICLE 1 – PARTIES TO MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (hereinafter known as MOU) is made and entered into by and between the City of Upland (hereinafter referred to as CITY) and the San Bernardino Public Employees Association (hereinafter referred to “Union”).

**ARTICLE 2 – RECOGNITION**

The City hereby formally recognizes the Union as the representative for those employees in the Mid-Management Employees Unit.

Recognition is granted for the purpose of meeting and conferring on wages, hours, terms and conditions of employment and general representation of employees in this unit.

This Memorandum of Understanding shall contain all of the covenants, stipulations, and provisions agreed upon by the parties. It is understood that all items relating to employee wages, hours and other terms and conditions of employment, not covered in this Memorandum of Understanding, are covered by existing ordinances, resolutions, policies and practices of the City, as well as the Merit System Rules and Regulations presently in effect.

**ARTICLE 3 – MANAGEMENT RIGHTS**

The rights of the CITY include, but are not limited to the exclusive right to:

Determine the mission of its constituent departments, commissions and boards; Set standards of service; Determine the procedure and standards for employment and promotion; Direct its employees; Relieve its employees from duty because of lack of work or for other lawful reasons; Maintain efficiency of government operations; Determine the methods, means and personnel by which government operations are to be conducted; Determine the content of job classifications; Take all necessary actions to carry out its mission in emergencies; Exercise complete control and discretion over its organization and the technology of performing its work; To discharge, suspend, demote, reprimand, withhold salary increases or otherwise discipline employees for cause; To

establish employee performance standards, including, but not limited to, quality and quantity standards and to require compliance.

There are no provisions in this MOU that shall be deemed to limit or curtail the City in exercising its rights, unless and only to the extent that the provisions of this MOU specifically curtail or limit such rights.

Where required by law, the City agrees, prior to implementation, to meet and confer with the Union concerning the exercise of a City right upon wages, hours and terms and conditions of employment.

The City reserves the right to contract out any work it deems necessary in the interest of efficiency, economy, improved work product, or emergency. Except where an emergency situation exists, at least 60 days before the City contracts out work in a general area, where such contracting out would result in the layoff of existing employees, the City will notify the Union and offer the Union an opportunity to meet and discuss the matter before the date any existing bargaining unit employee is laid off. Matters which may be discussed include the necessity for subcontracting, costs, alternatives, placement of affected employees with the contractor or elsewhere within the City.

**ARTICLE 4 – SALARIES**

The salary schedule is Exhibit B of the City of Upland Compensation Plan.

**ARTICLE 5 – RETIREMENT BENEFITS**

The City of Upland provides its Mid-Management Employees with membership in the California Public Employees Retirement System (CalPERS), 2.5% @ 55 retirement formula. The City pays 7% of the 8% Employee Contribution and the employees pay the remaining 1%. In addition, the employees pay 2.4% of salary (pre-tax) towards the Employer Contribution rate. The City will subtract this 2.4% payroll deduction from Mid-Management Unit base salary ranges when conducting salary surveys in the future. The City will also deduct any similar payroll deduction for enhanced retirement from Mid-Management Unit base salaries in other agencies when conducting said salary surveys.

All eligible employees hired into a regular position on or after July 1, 2012, will be required to pay a total of 7.4% of their base salary towards their PERS retirement. New employees will pickup four (4%) percent of the employee share that the City pays, plus pay the 3.4% that all active miscellaneous employees are currently paying.

The City contracts with CalPERS for the Single Highest Year Option and the 1959 Survivor Benefit, 3<sup>rd</sup> level. There is an employee cost of \$2.00 per month for the 1959 Survivor Benefit.

The agreement between the City and CalPERS allows for the buy-back of time served by the employee in the Military as defined under Government Code Section 21024.

**ARTICLE 6 – EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC)**

The City will report the Employer Paid Member Contribution of 7% as compensation for CalPERS retirement purposes.

**ARTICLE 7 – HEALTH INSURANCE – CAFETERIA PLAN**

Employees in this unit will receive \$860.50 per month for the purchase of health insurance benefits through the City’s Cafeteria Plan. The health insurance options under the City’s Cafeteria Plan include medical insurance, dental insurance and vision insurance. Association members may also purchase savings bonds with any remaining Cafeteria Plan Funds or contribute to the City’s deferred compensation plan.

Employees who have other health coverage not with the City, will be able to receive a cash back option of \$300.00 per month from their cafeteria benefit amount of \$860.50. The cash received will be reflected as a special pay, taxable and not included as salary. Once the employee makes an election for this option during the annual Open Enrollment period for Health Benefits it cannot be changed, unless there is a qualifying event. Participating employees must sign a waiver that they understand and agree to these provisions. These employees may use the balance of their Cafeteria Plan funds to purchase other health options such as dental or vision insurance, savings bonds or contribute to the City’s deferred compensation plan.

An employee may elect not to be covered by the City’s Health Insurance if an employee provides proof of health insurance coverage from another source. The City may require proof of alternative coverage at any time.

**ARTICLE 8 – RETIREE HEALTH INSURANCE REIMBURSEMENT**

The City will provide retiree medical insurance reimbursement in accordance with the following schedule for employees who have health insurance and are paying a premium which exceeds these amounts. An additional \$45 per month allowance is provided for a spouse if the spouse is covered under the employee’s insurance. Retirees who are participating in one of the CalPERS health insurance plans will have the PERS administrative fee deducted from their reimbursement.

10 - 14 years of service	\$ 72.57 per month
15 - 19 years of service	\$ 96.81 per month
20 - 24 years of service	\$121.05 per month
25 + years of service	\$145.14 per month

**ARTICLE 9 – RETIREE HEALTH SAVINGS ACCOUNTS**

Retirement Health Savings (RHS) accounts will be established through ICMA which will be payable to the employee only upon service or disability retirement with the City of Upland. City contributions to the RHS accounts will be based upon years of service in accordance with the following schedule:

<b>Years of Service</b>	<b>Monthly City Contribution</b>	<b>Yearly City Contribution</b>
5 to 9.99	\$12.50	\$150.00
10 to 14.99	\$25.00	\$300.00
15 to 19.99	\$50.00	\$600.00
20 to 24.99	\$75.00	\$900.00
25 +	\$100.00	\$1,200.00

**ARTICLE 10 – LIFE INSURANCE**

The City provides employees in this unit with group life insurance in an amount equal to one times (1x) their annual salary.

**ARTICLE 11 – LONG TERM DISABILITY INSURANCE**

The City assumes the full premium cost for the employee in the City designated long-term disability program. This benefit will pay 66 2/3% of base salary to a maximum of \$5000 per month after 60 days (or use of all sick leave, whichever is later) to qualified members of this unit.

**ARTICLE 12 – DEFERRED COMPENSATION**

The City contributes seven percent (7%) of base monthly salary to the City’s deferred compensation plan on behalf of each employee in the unit. This amount may also be used toward the employee’s cafeteria options as defined in Article 7, Health Insurance – Cafeteria Plan.

**ARTICLE 13 – EDUCATION INCENTIVE**

Employees hired after July 1, 1981 will receive a one time payment of the percentage of total annual base salary at time job related degree is awarded combined with years of service in accordance with the following schedule:

AA/AS with 2 years of service	5%
BA/BS with 2 years of service	7.5%
MA/MS with 2 years of service	10%
PhD with 2 years of service	10%
JD with 2 years of service	10%

**ARTICLE 14 – LONGEVITY PAY**

Employees with twenty (20) years or more of continuous service will receive a two and one half percent (2.5%) increase in base salary.

**ARTICLE 15 – MERITORIOUS PAY**

It is recognized that certain employees will put forth extraordinary efforts and produce outstanding results for the City. It is desired to reward these individuals. An incentive pay method has been established to encourage all employees to utilize fully their capabilities on behalf of the City. Employees recommended by their department heads and approved by the City Manager may be granted a five percent (5%) increase in salary for a period of three months, six months, or one year. Department head recommendations will be submitted annually on May 1. Payment of meritorious pay will be made in a lump sum annually on the first payday in June. Recommendations will contain the information required in Exhibit F of the Compensation Plan.

**ARTICLE 16 – PREVENTATIVE HEALTH BENEFIT**

Employees in the unit may be reimbursed up to \$225 annually for the purchase of items, classes, memberships or programs which contribute to physical fitness. This reimbursement shall be made in June of each year. Items which will be considered acceptable for reimbursement are defined in the City’s policy on Preventive Health Benefits.

**ARTICLE 17 – UNIFORM ALLOWANCE**

Effective July 1, 2012, the Police Dispatch Supervisor shall receive an allowance in the amount of \$200.00 per year after completion of 12 months of employment. A uniform will be provided at time of appointment.

The purpose of the allowance is to provide uniform cleaning or replacement expenses. This allowance will be paid the first pay period in December. Employees who are not required to wear a uniform as determined by the Department Head shall not be paid a uniform allowance.

**ARTICLE 18 – HOLIDAYS**

The City of Upland observes the following holidays, established by Resolution:

New Year’s Day	(January 1)
Martin Luther King Day	(Third Monday in January)
President’s Day	(Third Monday in February)
Memorial Day	(Last Monday in May)
Independence Day	(July 4)
Labor Day	(First Monday in September)
Thanksgiving Day	(Fourth Thursday in November)
Friday after Thanksgiving Day	(The Day After the Fourth Thursday in November)
Christmas Day	(December 25)

All holidays shall be 10 hours unless otherwise noted.

If the holiday falls on a Friday or Saturday, Thursday shall be designated as the holiday and if the holiday falls on Sunday, Monday shall be designated as the holiday.

In order to be paid for a recognized City holiday (the days on which the public offices of the City of Upland will be closed) employees must be in a paid status both the day before and the day after the holiday. For example, if a holiday fell on a Monday, and the employee was on a 4/10 work schedule with Fridays off, the employee would be required to be in a paid status on the Thursday before the holiday and the Tuesday following the holiday.

**ARTICLE 19 – FLOATING HOLIDAYS**

Employees in the unit shall receive forty (40) hours of Floating Holiday annually. Floating holiday hours must be used during the calendar year or they will be removed from the books on December 31 of each year.

**ARTICLE 20 – EXECUTIVE LEAVE**

Employees in the unit shall receive fifty (50) hours of executive leave annually. This leave must be used within the calendar year, or it will be removed from the books as of December 31 of each year.

**ARTICLE 21 – SICK LEAVE**

Employees in the unit earn sick leave at the rate of eight hours per month, up to a maximum accrual of 1250 hours. No sick leave may be granted during the first thirty days of employment with the City.

**ARTICLE 22 – SICK LEAVE ACCRUAL PAYMENT UPON RETIREMENT**

Upon service or disability retirement under the PERS retirement plan, employees may elect one of the following options for payment of unused sick leave:

- a. At the time of service or disability retirement, one half (50%) of accrued sick leave may be cashed out at the current hourly rate, up to a maximum of 625 hours
- b. Retiring employees may use one half (50%) of accrued sick leave as Personal Leave just prior to retirement, up to a maximum of 625 hours.

**ARTICLE 23 – VACATION**

Vacation shall accrue for employees based on the following schedule:

01 – 02 Years of service	80 Hours per year
03 – 05 Years of service	96 Hours per year
06 – 10 Years of service	128 Hours per year
11 – 16 Years of service	136 Hours per year
17 + Years of service	One additional day (8 hours) per year, up to a maximum of 176 hours per year

All employees may accrue vacation up to a maximum of three (3) years of entitlement.

**ARTICLE 24 – VACATION BUYBACK**

In December of every year, Mid-Management employees may be paid cash in lieu of unused vacation for up to 60 hours of vacation if they have used at least 40 hours of vacation during the preceding year.

**ARTICLE 25 – BEREAVEMENT LEAVE**

Employees may take up to 30 hours annually (January 1 through December 31) with pay in the event of a death of the following: mother, father, grandfather, grandmother, brother, sister, spouse, child, grandchild, and employee spouse's father, mother, grandfather, grandmother, brother, sister and any relative who has resided with the employee for at least one year. Adoptive relatives and step relatives shall count the same as relatives by birth. Notification of need for such leave must comply with the City's Administrative Policy on Sick Leave.

**ARTICLE 26 – QUARTERLY PERSONNEL REPORTS**

The City agrees to provide on a quarterly basis, personnel reports to the Association which shall include names, classifications and all personnel actions (new hires, terminations, transfers, promotions) within the Unit. Home and mailing addresses if different, and all address changes will be provided of Association members, and the City will request a waiver from non-Association members to provide the information. Also a notice and opt-out system will be jointly developed by the City and Association for the disclosure of employee addresses.

**ARTICLE 27 – REVISION OF LAYOFF POLICY**

The layoff policy is Attachment A.

**ARTICLE 28 – PREVAILING BENEFITS**

Except as provided herein, all wages, hours and other terms and conditions of employment presently enjoyed by employees in the unit shall remain in full force and effect during the term of this M.O.U., unless mutually agreed to by both parties.

**ARTICLE 29 – “ME TOO” CLAUSE**

In the event any other bargaining unit currently in negotiations receives an increase to Cafeteria Plan or Salary, within the term of this contract, the Upland Mid Management Bargaining Unit will receive a similar increase.

**ARTICLE 30 – SAVINGS CLAUSE**

Should any provision of this agreement or the application of such provision be rendered or declared invalid by any court action or by reason of any existing or subsequently enacted legislation, the City and Union shall meet and confer immediately upon what constitutes an equivalent benefit to that which was determined to be unlawful. Such equivalent benefit will be implemented retroactive to the date the old benefit ceased. The remaining parts or portions of the Agreement shall remain in full force and effect.

**ARTICLE 31 – TERM OF AGREEMENT**

Except where expressly stated otherwise herein, the City and Union agree that the provisions of this Memorandum of Understanding (M.O.U.) shall become effective on July 1, 2012 and shall expire on June 30, 2013.

**ARTICLE 32 – ZIPPER CLAUSE**

During the term of this Agreement, the parties agree that negotiations cannot commence on any subject unless the parties mutually agree.

**CITY OF UPLAND**

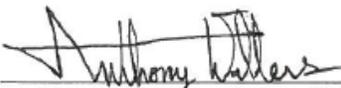
  
Stephanie Mendenhall, Administrative Services Director

12-13-12  
Date

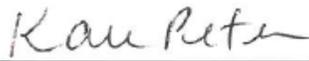
  
Tanya Bragg, Senior Human Resources Analyst

12-13-12  
Date

**SAN BERNARDINO PUBLIC EMPLOYEES ASSOCIATION**

  
Anthony Walters, Labor Relations Representative  
& Chief Negotiator for the San Bernardino  
Public Employees Association Representing  
Mid-Management Employees

12-13-12  
Date

  
Karen Peterson, Planning Manager

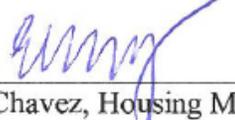
12/13/12  
Date

  
Bob Critchfield, Principal Engineer

12/13/2012  
Date

  
Robert Herbster, Assistant Engineer

12/12/2012  
Date

  
Liz Chavez, Housing Manager

12/13/12  
Date