MEMORANDUM OF UNDERSTANDING (M.O.U.)

BETWEEN

THE CITY OF UPLAND

AND

THE UPLAND FIRE MANAGEMENT ASSOCIATION

July 1, 2015 to December 31, 2016

TABLE OF CONTENTS

ARTICLE 1 - TERM OF AGREEMENT 1
ARTICLE 2 – PREAMBLE 1
ARTICLE 3 – RECOGNITION 1
ARTICLE 4 - MANAGEMENT RIGHTS 1
ARTICLE 5 – SALARIES 2
ARTICLE 6 – RETIREMENT 2
ARTICLE 7 – HEALTH INSURANCE – CAFETERIA PLAN 2
ARTICLE 8 – RETIREE MEDICAL BENEFIT TRUST 4
ARTICLE 9 – RETIREE HEALTH INSURANCE REIMBURSEMENT 5
ARTICLE 10 – RETIREE HEALTH SAVINGS ACCOUNTS 6
ARTICLE 11 – LIFE INSURANCE 6
ARTICLE 12 – LONG TERM DISABILITY INSURANCE 6
ARTICLE 13 - DEFERRED COMPENSATION 6
ARTICLE 14 - UNIFORM ALLOWANCE 7
ARTICLE 15 – PREVENTATIVE HEALTH BENEFIT 7
ARTICLE 16 – CALL BACK PAY 7
ARTICLE 17 - LONGEVITY PAY 7
ARTICLE 18 - OVERTIME PAY 7
ARTICLE 19 – SPECIAL ASSIGNMENT PAY 7
ARTICLE 20 - HOLIDAYS 8
ARTICLE 21 – FLOATING HOLIDAYS 8
ARTICLE 22 - SICK LEAVE 8
ARTICLE 23 - VACATION 8
ARTICLE 24 – VACATION BUYBACK 9
ARTICLE 25 - BEREAVEMENT LEAVE 9

ARTICLE 26 - EXECUTIVE LEAVE 10
ARTICLE 27 – SURVEY CITIES 10
ARTICLE 28– WORKERS' COMPENSATION BENEFITS 10
ARTICLE 29 - NO STRIKE PROVISION 10
ARTICLE 30 - PREVAILING BENEFITS 10
ARTICLE 31 - SAVINGS CLAUSE 10

MEMORANDUM OF UNDERSTANDING

BETWEEN
THE CITY OF UPLAND
AND
THE UPLAND FIRE MANAGEMENT ASSOCIATION
JULY 1, 2015 – December 31, 2016

ARTICLE 1 - TERM OF AGREEMENT

The parties have met and conferred in good faith regarding the wages, hours and other terms and conditions of employment, and it is mutually agreed that the term of this Memorandum of Understanding (M.O.U.) shall be July 1, 2015 and ending December 31, 2016.

ARTICLE 2 – PREAMBLE

It is the intent and purpose of this MOU to set forth the understanding of the parties reached as a result of meeting and conferring in good faith regarding, but not limited to, matters relating to the wages, hours, and terms and conditions of employment between the City of Upland (hereinafter referred to as "City") and the Upland Fire Management Association (hereinafter referred to "Association").

ARTICLE 3 – RECOGNITION

The Association is the recognized employee organization for the personnel employed in the Fire Department occupying the classifications of Fire Battalion Chief and Deputy Fire Chief.

ARTICLE 4 - MANAGEMENT RIGHTS

The authority of the City includes the exclusive right to determine the mission of its constituent departments, commissions and boards; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of work; maintain the efficiency of governmental 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, provided, however, that the exercise and retention of such rights does not preclude employees or their representatives from meeting and conferring over the practical consequences that decisions on these matters may have on wages, hours and other terms and conditions of employment.

During the term of this MOU, the City shall knowingly and intentionally waive its right to contract out or subcontract any bargaining unit work for members of the Association.

ARTICLE 5 – SALARIES

It has been mutually agreed upon to transition from the five-step salary range to a revised thirteen-step salary range attached hereto as Exhibit A. Employees in this bargaining unit shall transition to the next closest step in the thirteen-step range above their current step the first pay period after the MOU has been approved by City Council. At the time of their next anniversary date in conformance with the City's Merit Rules, they may be eligible to advance to the next step in the range.

ARTICLE 6 – RETIREMENT

The City of Upland provides members of the Association membership in the California Public Employees' Retirement System (CalPERS).

A. **Classic Member Employees –** Employees hired prior to January 1, 2013 or Classic Employees hired on or after January 1, 2013 shall be provided the 3% at 55 retirement formula. Employees shall contribute 100% of the required member contribution, which is 9%.

   Additionally, the City has contracted for the following:

   1) The agreement between the City and CalPERS allows for the Single Highest Year Option (Government Code Section 20042) as the final compensation determination.
   2) The agreement between the City and CalPERS allows for the 1959 Survivor Benefit, 3rd level (Government Code Section 21573). There is an employee cost of $2.00 per month for the 1959 Survivor Benefit.
   3) The agreement between the City and CalPERS allows for the buy-back of time served by the employee in the Military as defined under PERS Regulation, Section 21024, Statutes of 1976.

B. **New Member Employees hired on or after January 1, 2013 –** New Member Employees hired on or after January 1, 2013 shall have the PERS 2.7% @ 57 formula, as provided by the terms of the contract in effect between the City and CalPERS. The employee contribution rate shall be 50 percent of the normal cost rounded to the nearest quarter of 1 percent.

ARTICLE 7 – HEALTH INSURANCE – CAFETERIA PLAN

In accordance with "The City of Upland Cafeteria Plan", the city provides a Section 125 Flexible Benefit Plan ("the Plan"). The regular and intended effect of the Plan, under current law, is to enable employees to choose between (a) the receipt of benefits which may not be subject to either State or Federal income tax or (b) a cash benefit which is subject to tax, but is not included in the employee's hourly rate.

The details of Plan eligibility and operational requirements are set forth in the Plan documents. Once enrolled in a cafeteria distribution plan, employees will only be permitted to modify the

plan on the same basis as changes are permitted in health insurance plans, that is, during open enrollment periods and when the employee's dependent status changes.

A. The city shall make a monthly contribution as set forth below to each eligible member of the unit to be used toward the Section 125 Cafeteria Plan. These funds shall only be used for qualified benefits as provided for in IRC Section 125. Excess benefit dollars shall be added to each employee's taxable earnings.

B. All employees must enroll in one of the CalPERS health program plans unless they submit to the city proof of comparable health coverage.

   1) Employees who fail to complete this requirement will be enrolled in the lowest cost health insurance plan the city offers through CalPERS.

   2) Employees who meet the requirement shall be allowed to utilize their Section 125 Flexible Benefit Plan contributions for any of the other qualified benefits as provided for in IRC Section 125.

C. City Section 125 Benefit Contribution and Dash in Lieu – The City will make available to each covered employee a monthly amount for benefits, as specified in this MOU. If the employee has outside health coverage, such as through a spouse, domestic partner, or other acceptable alternate health coverage, the employee can take the unused portion of the amount allocated for the benefit as cash in lieu of receiving any or all of the actual benefit.

   1) Employees hired prior to January 1, 2016 - The maximum amount of cash in lieu that an employee may receive is $1072.50.

   2) Employees hired on or after January 1, 2016 – The maximum amount of cash in lieu that an employee may receive is the dollar amount equal to 100% of the premium amount for the lowest medical plan for employee only category.

D. Benefits Contribution

   1) For employees in this unit hired prior to January 1, 2016, the city will contribute the following Cafeteria Plan allowance:

      - Effective January 1, 2016 $1072.50

   2) For employees in this unit hired on or after January 1, 2016, the city will contribute the following to the Cafeteria Plan and thereafter:

      - Employee Only 100% of lowest cost plans for health, dental, vision

- Employee plus one — 100% of lowest cost plans for health, dental, vision To a maximum of $1072.50
- Family — 100% of lowest cost plans for health, dental, vision To a maximum of $1072.50

The employee must pay the difference between the city's contribution and the actual premium of the plan selected, if any.

The city reserves the right to change medical carriers. In the event of a change, the city agrees to meet and confer over the impact of the decision.

ARTICLE 8 – RETIREE MEDICAL BENEFIT TRUST

The City has taken all action reasonably necessary to enable the Association to implement the provisions of its Retiree Medical Benefits Trust (RMBT), at no cost to it or its members. All unit employees hired after July 1, 2013 shall be required to participate in the Association's RMBT and to contribute funds in accordance with IRS regulations in amounts set from time to time by the Association. The City will be notified of any changes to the fund contribution rate at least 30 calendar days in advance. The City further agrees to provide administrative support to make periodic pre-tax payroll deductions and payments of accrued leave balances upon separation to the RMBT (or to the employees' 457 accounts if the employees make that designation). The Trust is an independent entity, formed and administered by the labor organizations participating in the trust, over which the City exercises no control. Benefits paid by the trust are not a component of the MOU and are not negotiable.

The Association has elected that all unit members shall make the following contributions effective upon establishment of the RMBT:

A. Vacation Leave – Upon separation, the value of 100% of all accrued, unused Vacation Leave shall be credited to an employee's individual account in the trust at the employee's rate of pay in effect at the time of separation.

B. Sick Leave - Upon receiving a service or disability retirement from CalPERS, a unit employee may elect one of the following three (3) options for payment of unused sick leave:

   1) One half (50%) of accrued sick leave, up to a maximum of 625 hours, shall be contributed to the employee's individual account in the trust, at the employee's hourly rate in effect at the time of retirement from the City.

a. All or part of this value may also be used to pre-fund any premium payments due for participation in the group portion of the post retirement medical benefit trust.

b. In the event only part of the value is used to pre-fund any premium payments, the remaining value shall be applied to the employee's individual account in the Trust.

2) One half (50%) of accrued sick leave, up to a maximum of 625 hours, shall be contributed to the employee's Section 457 Deferred compensation account, at the employee's hourly rate in effect at the time of retirement from the City; OR

3) One half (50%) of accrued sick leave may be used as personal leave immediately prior to retirement, up to a maximum of 625 hours.

ARTICLE 9 – RETIREE HEALTH INSURANCE REIMBURSEMENT

A. For Retirees in CalPERS Medical – The City shall contribute monthly on behalf of each retiree the amount set forth in the table below. To the extent that the amount reflected in the table below exceeds the PERS statutory minimum, the City shall reimburse such excess amount directly to the retiree.

B. For Retirees in Other than CalPERS Medical – The City shall reimburse monthly each retiree the amount of his or her retiree medical premium, up to the amount set forth in the table below.

C. An additional $45 per month allowance is provided for spouse if the spouse is covered under the retiree's insurance.

D. To be eligible for the retiree medical payments herein, an employee must retire from the City and purchase retiree medical insurance.

Year of Service	City's Monthly Payment - Retirees in PERS Medical	City's Monthly Reimbursement - Retirees in other than PERS Medical
10 - 14 years of service	PERS statutory minimum	$ 72.57 per month
15 - 19 years of service	PERS statutory minimum	$ 96.81 per month
20 - 24 years of service	PERS statutory minimum	$121.05 per month
25 + years of service	PERS statutory minimum or $145.14, whichever is greater.	$145.14 per month

The provisions of this article above shall only apply to bargaining unit members hired on or before March 1, 2016. For bargaining unit members hired after March 1, 2016, the City's retiree health

contribution will be limited to the CalPERS statutory minimum as provided each year in the Public Employees' Medical and Hospital Care Act (PEMHCA) for those retirees in enrolled in PEMHCA, only.

ARTICLE 10 – 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:

Years of Service	Monthly City Contribution	Yearly City Contribution
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

Upon retirement, Fire Deputy Chiefs and Fire Battalion Chiefs shall convert 50% of accrued sick leave, 100% of accrued vacation, 100% of compensatory time, and 100% of administrative leave/floating holidays to cash and deposit into their Retiree Health Savings Account on a tax deferred basis (in accordance with IRS guidelines). Therefore, the current options of cashing out half of accrued sick leave or using Personal Leave (1/2 of accrued sick leave) at retirement will no longer be allowable.

ARTICLE 11 – LIFE INSURANCE

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

ARTICLE 12 – 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 13 - DEFERRED COMPENSATION

The City contributes six percent (6%) 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 14 - UNIFORM ALLOWANCE

Association members shall receive a uniform allowance in the amount of $1054 per year for the purchase, maintenance and cleaning of uniforms after completion of 12 months of employment. Uniforms will be provided at the time of appointment.

ARTICLE 15 – PREVENTATIVE HEALTH BENEFIT

Employees in the unit may be reimbursed up to $180 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 16 – CALL BACK PAY

Battalion Chiefs who are called back to work for emergency recall from their off duty period shall be compensated with a minimum of 2 hours of pay at straight time.

ARTICLE 17 - LONGEVITY PAY

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

ARTICLE 18 - OVERTIME PAY

Fire Deputy Chiefs are exempt and are not eligible for overtime compensation. Fire Battalion Chiefs working a 24 hour schedule are exempt, but are eligible for overtime pay at straight time for strike team leader assignments, emergency recall and shift coverage. This does not include, but is not limited to, training, meetings and other administrative assignments.

Fire Deputy Chiefs will be compensated for all risk multi-agency incident deployments at straight-time pay for all hours exceeding 40 hours per week. Compensation is contingent on the City being reimbursed for said deployment.

ARTICLE 19 – SPECIAL ASSIGNMENT PAY

Fire Battalion and Fire Deputy Chiefs will receive an increase in the amount of 2.5% of "E" Step of Fire Engineer for employees who are certified as a Hazardous Materials Specialist if it is deemed appropriate and necessary by the Fire Chief.

ARTICLE 20 - HOLIDAYS

The City of Upland currently 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)

* *Eight (8) hour holiday*

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.

All holidays shall be 10 hours unless otherwise noted.

Fire Battalion Chiefs working a 24 hour schedule shall be compensated for holidays with 5.53 hours of holiday pay per pay period.

ARTICLE 21 – FLOATING HOLIDAYS

Fire Deputy Chiefs shall receive 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 22 - SICK LEAVE

Fire Deputy Chiefs working a 40 hour per week schedule earn sick leave at the rate of 8 hours per month, up to a maximum accrual of 1250 hours. Fire Battalion Chiefs working a 24 hour schedule earn sick leave at a rate of 11.2 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 23 - VACATION

Vacation shall accrue for Fire Deputy Chiefs based on the following schedule:

01 – 02 Years of service	96 Hours per year
03 – 05 Years of service	120 Hours per year
06 – 16 Years of service	152 Hours per year
17 + Years of service	One additional day (8 hours) per year, up to a maximum of 176 hours per year

Vacation shall accrue for Fire Battalion Chiefs working 24 hour shifts based on the following schedule:

01 – 02 Years of service	5.5 Shifts per year
03 – 05 Years of service	6.5 Shifts per year
06 – 10 Years of service	8.5 Shifts per year
11 – 16 Years of service	9 Shifts per year
17 Years of service	9.5 Shifts per year
18 – 19 Years of service	10.5 Shifts per year
20 + Years of service	11 Shifts 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, Fire 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

Association members may use up to 5 consecutive days of accrued sick leave for the death of a spouse or blood relation up to 2 generations removed, including spouse's parents. Bereavement leave (5 days of accrued sick leave) may also be taken for the death of a dependent not related by blood who has lived within the employee's household for the preceding six months.

The City will consider a request for bereavement leave for the death of a member's aunt and uncle on a case by case basis.

Members may also take up to four hours per year to attend funeral services in the City of Upland for situations other than the above with Department Head approval.

ARTICLE 26 - EXECUTIVE LEAVE

Fire Deputy Chiefs 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 31st of each year. Fire Battalion Chiefs are not eligible for Executive Leave.

ARTICLE 27 – SURVEY CITIES

The City and the Association agree to use the following agencies for surveying salaries and benefits: Chino Fire District, Los Angeles County, City of Covina, City of Montclair, City of Ontario, City of Rancho Cucamonga and City of Arcadia.

ARTICLE 28– WORKERS' COMPENSATION BENEFITS

All workers' compensation benefits shall be paid in accordance with the Labor Code and all other applicable laws.

ARTICLE 29 - NO STRIKE PROVISION

The Association agrees that it shall not authorize, instigate, aid, condone, or engage in any strike which will interrupt or interfere with the operation of the City. The City places the Association on notice of its intention and right to terminate any employee who instigates or engages in any strike or work stoppage which interrupts or interferes with the operation of the City.

ARTICLE 30 - 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 31 - 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 Association 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.

CITY OF UPLAND

Jeanette Vagnozzi, Deputy City Manager — Date: 3/28/16

Tanya Bragg, Human Resources Manager — Date: 3/28/16

UPLAND FIRE MANAGEMENT ASSOCIATION

Dave Corbin, Fire Deputy Chief — Date: 3/21/16

Chris Hayes, Fire Deputy Chief — Date: 3/21/16

CITY OF UPLAND
"EXHIBIT A"

FIRE MANAGEMENT

ASSIGNMENT OF CLASSIFICATION TO PAY

RANGE	CLASSIFICATION	SALARY
7470	Fire Battalion Chief	8,572 -11,528*
7476	Deputy Fire Chief	9,941-13,369*

* New salary range effective 3/14/2016

SIDE LETTER AGREEMENT
TO THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF UPLAND
AND THE UPLAND FIRE MANAGEMENT ASSOCIATION

August 11, 2016

WHEREAS the City of Upland ("City") and the Upland Fire Management Association ("Association") have entered into a Memorandum of Understanding ("MOU") covering the period of July 1, 2015 through December 31, 2016;

WHEREAS the MOU provides that there shall be no changes in wages, hours and working conditions during its term without the mutual consent of the parties.

WHEREAS the parties informally met, discussed and agreed to amend Article 9 of the Retiree Health Insurance Reimbursement.

NOW, THEREFORE, THE PARTIES do hereby agree as follows:

1. This side letter shall amend the wages, hours and other terms and conditions of employment set forth in the current MOU between the parties only to the extent specifically set forth herein. All other wages, hours and other terms and conditions of employment shall remain in full force and effect, and unaffected by this agreement, unless specifically modified in a subsequent written agreement by the parties

2. The City agrees to freeze the Retiree Health Insurance Reimbursement Program, Article 9 of the MOU, for (5) five years for eligible employees who qualify for the program. This freeze will commence on January 1, 2017 to January 1, 2022. During this period, the City agrees not to make any changes to the current retiree reimbursement benefit.

3. The City and the Association agree to meet and confer on any rate increases for 2018 that exceed the average CalPERS rate increases during the next negotiation period. Should the new health plan rates increase greater than the CalPERS average rate increases, the City and Association will agree to split the increases evenly on a 50-50 basis.

This agreement is subject to ratification by the Board of the Upland Fire Management Association and adoption by the City Council of the City of Upland.

CITY OF UPLAND

Dated: 8/22/16

By: Jeannette Vagnozzi
Deputy City Manager

UPLAND FIRE MANAGEMENT ASSOCIATION

Dated: 8/15/16

By: Dave Corbin
Upland Fire Management Association