



**THE CITY OF UPLAND**  
**EXECUTIVE MANAGEMENT EMPLOYEES COMPENSATION**  
**AND BENEFIT PLAN**

**Updated February 11, 2013**

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**THE CITY OF UPLAND  
EXECUTIVE MANAGEMENT EMPLOYEES**

**Compensation and Benefit Plan**

**ARTICLE 1 – PURPOSE**

Executive Management employees are not represented by an employee organization. The Executive Management positions are considered to serve at the will and pleasure of the City Manager.

This compensation and benefit plan document is intended as a comprehensive document to define and describe the forms and amounts of compensation and benefits for Executive Management Employees. However, the terms and conditions of employment for the Executive Management Employees may also be addressed in individual employment contracts. If an individual's employment contract agreement is in conflict with this document, then the provision of the agreement will supersede the provisions of this document.

**ARTICLE 2 – 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.

The City reserves the right to contract out any work it deems necessary in the interest of efficiency, economy, improved work product, or emergency.

Notwithstanding anything to the contrary in this section, in any other provision of this chapter of the Upland Municipal Code, or in any other presently existing ordinance, resolution, agreement, rule, policy, practice or other city enactment of any type or nature, all present and future department heads shall be deemed and are designated as at-will employees who each serve at the pleasure of the city manager, and accordingly the city manager may reduce the salary of, suspend, demote or discharge any department head, without prior notice and without cause. No department head shall have any administrative

right of due process in connection with any reduction in salary, suspension, demotion or discharge, and no department head shall have any right of appeal to the board of review or the city council. The city manager’s decision as regards the employment status of a department head shall be final and absolute. No department head shall have the right or authority to undertake any of the rights or powers specified in Upland Municipal Code Sections 2.36.140, 2.36.150, 2.36.160 and 2.36.170. (Ord. 1790 § 2, 2005; prior code § 2350.13)

**ARTICLE 3 – COMPENSATION**

1. The Executive Management salary Range Table (Appendix B) is established to provide the minimum and maximum monthly salary levels for Executive Management positions.
2. The City Management is responsible for determination of each individual employee’s salary rate within the assigned salary range. Such determination will be based on job performance and or other competitive and economic factors.

**ARTICLE 4 - RETIREMENT BENEFITS**

The City of Upland provides its Executive Management Employees with membership in the California Public Employees Retirement System (CalPERS):

Non-Safety: 2.5% @ 55 retirement formula; The City pays 7% of the 8% employee contribution and the employee pays the remaining 1%. In addition, the employee pays 2.4% of salary towards the employer contribution rate.

Currently the non safety executive employee pays 1% of the employee share of PERS. Effective July 1, 2013, the employee will pay an addition 7% which is a total of 8% of the employee share of PERS and the City will pick up the 2.4% employer’s cost sharing contribution.

Police Chief/Fire Chief: 3% @ 55 retirement formula; The City pays 9% of salary , and the employee pays 5.8% towards the Employer Contribution rate. Effective July 1, 2013, the employee will pay 9% towards the employee contribution and the City will pick up the 5.8% employer’s cost sharing contribution.

The City contracts with CalPERS for the Single Highest Year Option for all employees who are not defined as “new members” pursuant to the Pension Reform Act of 2013 and the 1959 Survivor Benefit, 3<sup>rd</sup> level for all members of the bargaining unit. 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.

Pension Reform Act of 2013:

- 1) The parties agree that the provisions of AB 340 (The California Pension Reform Act of 2013) went into effect on January 1, 2013. In addition, if there is any other clean up or other retirement legislation which goes into effect during this MOU and if there are provisions of that legislation which, by law automatically goes into effect, it shall do so. Either party may request to negotiate over the impact of such subsequent legislation.
- 2) Two Tier Retirement: Pursuant to the Act, for “new members” (as defined by the Act) who are employees hired after January 1, 2013, they will be hired pursuant to the 2% @ 62 retirement formula (non-safety) and 2.7% @ 55.
- 3) For “new members” (as defined by the Act) who are employees hired after January 1, 2013, final compensation will be based on the highest annual average compensation earnable during the three consecutive years of employment immediately preceding the effective date of his or her retirement.

**ARTICLE 5 – EMPLOYER PAID MEMBER CONTRIBUTIONS (EMPC)**

The City will report the Employer Paid Member Contribution of 7% (non-safety) and 9% (safety) as compensation for CalPERS retirement purposes. Effective July 1, 2013, the City will stop paying and reporting the EMPC for all executives.

**ARTICLE 6 – HEALTH INSURANCE – CAFETERIA PLAN**

Employees in this unit will receive \$846.00 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. Members may also purchase savings bonds with any remaining Cafeteria Plan Funds or contribute to the City’s deferred compensation plan. Additionally, members may deposit the money into an E-trade account.

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 7 – 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 8 – 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 9 – 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 10 – 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 11 – DEFERRED COMPENSATION**

The City contributes nine percent (9%) 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.

Effective July 1, 2012, the deferred compensation amount was reduced by 3.6% for Non-Safety and 3.2% for Police Chief/Fire Chief to go towards the CalPERS retirement.

Effective July 1, 2013, the deferred compensation amount will be restored to 9% for non-safety and safety executive employees.

**ARTICLE 12 – 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:

PhD with 2 years of service	10%
JD with 2 years of service	10%

**ARTICLE 13 – 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 14 – PREVENTATIVE HEALTH BENEFIT**

Employees 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 15 – UNIFORM ALLOWANCE**

The Police Chief and Fire Chief shall receive an allowance in the amount of \$250.00 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.

**ARTICLE 16 – VEHICLE ALLOWANCE**

The Police Chief and Fire Chief receive a City vehicle to take home. All other executive management employees receive \$350.00/ month.

**ARTICLE 17 – 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 18 – 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 19 – EXECUTIVE LEAVE**

Employees in the unit shall receive eighty (80) 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 20 – 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. Notification of need for such leave must comply with the City’s Administrative Policy on Sick Leave.

**ARTICLE 21 – 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 22 – VACATION**

Vacation shall accrue 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 (10 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.

Police Chief/Fire Chief:

Vacation shall accrue for Non-Safety employees 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 (10 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 23 – VACATION BUYBACK**

In December of every year, Executive employees may be paid cash in lieu of unused vacation, sick leave, and/or executive leave for up to 80 hours.

Furthermore, an additional 40 hours of vacation can be cashed out in June of each year.

**ARTICLE 24 – BEREAVEMENT LEAVE**

Effective July 1, 2010, 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 six months. 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.

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.

Executive Management may also take up to four hours per year to attend funeral services.

**ARTICLE 25 – 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.