

MEMORANDUM OF UNDERSTANDING

between

CITY OF REDLANDS

and

REDLANDS ASSOCIATION OF MANAGEMENT EMPLOYEES

July 1, 2004 – June 30, 2009

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ARTICLE 1. TERM OF MEMORANDUM OF UNDERSTANDING

Except where expressly stated otherwise herein, the City and Association agree that the provisions of this Memorandum of Understanding (M.O.U.) shall become effective on July 1, 2004 and shall expire on June 30, 2009.

ARTICLE 2. PREAMBLE

It is the intent and purpose of this M.O.U. 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 Redlands (hereinafter referred to as "City") and the Redlands Association of Management Employees (hereinafter referred to as "Association").

ARTICLE 3. SALARIES

Salary Increases: During the term of this M.O.U., Management Unit employees shall receive wage increases as follows:

A five percent (5%) increase in base salary will be provided to all unit members, effective the first pay period after July 1, 2004.

A three percent (3%) increase in base salary will be provided to all unit members, effective the first pay period after July 1, 2005.

A two percent (2%) increase in base salary will be provided to all unit members, effective the first pay period after July 1, 2006.

A two percent (2%) increase in base salary will be provided to all unit members, effective the first pay period after July 1, 2007.

A five percent (5%) increase in base salary will be provided to all unit members, effective the first pay period after July 1, 2008.

Compaction: Effective the first full pay period following July 1, 2004, a minimum salary differential of twenty percent (20%) shall be maintained between Management Unit classifications and Mid-Management Unit classifications. In the event there are increases to salaries in mid-management classifications that result in a differential less than twenty percent (20%) between mid-management unit classifications and the management unit they report to, all management classifications shall be adjusted upward until the differential is maintained. The existing salary differentials within the management unit shall be maintained.

ARTICLE 4. RETIREMENT

All Management Unit employees shall be enrolled in the California Public Employees Retirement System (CalPERS), 2% @ 55 formula. The City shall pay both the employer

contribution and the employee contribution of seven-percent (7%) of salary. Management Unit employees are eligible for the single highest year option with PERS.

All Management Unit employees are responsible for the employee contribution to Social Security and Medicare.

ARTICLE 5. ANNIVERSARY DATES

The City agrees to move all Management Unit employee anniversary dates to November 1st.

ARTICLE 6. HEALTH INSURANCE

Medical Insurance: The City shall pay the entire premium for each Management Unit employee and all eligible dependents under the PERS health insurance program.

Dental Insurance: The City shall pay the entire premium for dental insurance for each Management Unit employee and all eligible dependents.

Life Insurance: The City shall provide each Management Unit employee with twenty five thousand dollars (\$25,000) of life insurance. Employees may also purchase additional increments of life insurance at the City's group rate at their own expense.

Insurance Adjustment: In July of each year, the City shall pay each Management Unit employee a cash payment in the amount of one hundred and fifty dollars (\$150) to offset the co-payments and deductibles for medical insurance plans.

Vision Reimbursement: The City shall reimburse each employee in the Management Unit up to two hundred twenty five dollars (\$225.00) per year for the purchase of prescription frames and lenses and/or contact lenses for the employee and/or his/her eligible dependents.

ARTICLE 7. STATE DISABILITY INSURANCE (SDI)

The City agrees to make SDI available for those Management Unit employees who wish to participate and pay the premium.

ARTICLE 8. SICK LEAVE ACCRUAL AND BUY BACK

Accrual: All Management Unit employees shall receive eight (8) hours of sick leave per month.

Buy Back: In November of each calendar year, Unit employees may elect to be paid at their current hourly rate for each sick leave day accumulated during the preceding calendar year in excess of six (6) sick leave days. A total of ninety-six (96) hours must be on the books prior to any compensation being paid. Employees in the unit may also

choose to accumulate all sick leave days, from calendar year to calendar year, to an unlimited amount.

ARTICLE 9. SICK LEAVE BANK AND LIFETIME MEDICAL INSURANCE

Sick Leave Bank: Management employees eligible for a CalPERS service retirement from the City of Redlands may elect to have all sick leave accrued at the time of retirement converted to cash value and apply said cash value to applicable premiums payable under the City’s medical insurance program, until said cash value is exhausted.

Conversion to Cash: Upon separation of service with the City, employees with ten (10) years or more of continuous service shall be eligible to cash in unused sick leave at the following formula:

10 - 15	years service.....	25%
16 - 19	years service.....	35%
20+	years service.....	50%

Employees electing this option shall be responsible for any and all future medical insurance premiums.

Conversion to PERS Service Credit: Upon execution of this M.O.U. the City shall process a PERS contract amendment providing Management Unit employees with the option of converting one hundred percent (100%) of individual sick leave accruals to service credit. The amendment shall be effective on or before July 1, 2005. Unit employees with fifteen (15) years of service to the City may exercise this option in addition to the lifetime medical benefit.

Lifetime Medical: Management Unit employees retiring from the City of Redlands with a CalPERS service retirement after fifteen (15) years of service to the City of Redlands, in lieu of the sick leave bank, shall receive City paid medical insurance premiums for life, for the employee and eligible dependents under the City’s current health insurance plan/s.

ARTICLE 10. DEFERRED COMPENSATION

In January of each year, the City of Redlands makes an annual contribution to deferred compensation on behalf of each Management Unit employee in the amount of \$1125 per year + 2% of salary.

ARTICLE 11. 401 A PLAN

The City shall pay the costs to establish a 401(a) Retirement Plan for use by Management Unit employees. Participation by unit employees is optional and all other costs shall be borne by plan participants.

ARTICLE 12. LONGEVITY PAY

Management Unit Employees with twenty (20) years continuous service with the City shall advance to the Step “F” on the salary resolution, effective the pay period beginning closest to the first day of their 21st year of service.

In the event that an employee is not at the E step when he/she is eligible for the F step, at the completion of twenty (20) years of service, the employee shall advance to the next step in their salary range, and continue to advance based on merit until the employee reaches the F step.

ARTICLE 13. VEHICLE ALLOWANCES

The City agrees to provide vehicles and/or allowances as follows:

Chief of Water Resources	City vehicle provided
Community Development Director	\$100 per month
Finance Director	\$100 per month
Municipal Utilities Director	\$100 per month
Public Works Director	City vehicle provided
Library Director	\$100 per month
Administrative Services Director	\$100 per month

ARTICLE 14. HOLIDAYS

All Management Unit employees shall receive the following holidays, as established by Resolution:

- New Year’s Day (January 1)
- Martin Luther King, Jr. 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)
- Columbus Day (Second Monday in October)
- Veteran’s Day (November 11)
- Thanksgiving Day
- Friday after Thanksgiving Day
- Christmas Day (December 25)

If the holiday falls on Saturday, Friday shall be designated as the holiday and if the holiday falls on Sunday, Monday shall be designated as the holiday. Christmas Eve Day shall be observed as a holiday when Christmas Day falls on Tuesday, Wednesday, Thursday, or Friday.

Holidays shall be compensated in accordance with the employee’s standard work schedule.

ARTICLE 15. FLOATING HOLIDAYS

All Management Unit employees shall receive two (2) floating holidays annually.

Floating holidays accrued but not taken are paid off during January of the year following the year in which the holidays were accrued.

ARTICLE 16. VACATION

Vacation shall accrue for all Management Unit employees on the following schedule:

1 – 5	years	80 hours
6 – 7	years	120 hours
8 – 9	years	128 hours
10 – 11	years	136 hours
12 – 13	years	144 hours
14 – 15	years	152 hours
16 – 20	years	160 hours
21	years	168 hours
22	years	176 hours
23	years	184 hours
24	years	192 hours
25	years	200 hours

ARTICLE 17. BEREAVEMENT LEAVE

In the event of the death in the immediate family, Management Unit employees shall be compensated with two (2) days paid leave. In addition, Unit employees may be allowed to use accrued sick leave with full pay not to exceed three (3) days.

ARTICLE 18. PERSONAL LEAVE

Management Unit employees may use up to a maximum of eight (8) hours of accrued sick leave per year for personal leave, subject to advance approval by his/her supervisor.

ARTICLE 19. EXECUTIVE LEAVE

All Management Unit employees shall receive one hundred ten (110) hours of Executive Leave annually. Executive leave shall be used within the calendar year or it will be removed from the books as of December 31st.

Effective July 1, 2004 a total of ten (10) additional hours shall be credited to each full time Unit employee to account for the 2004 calendar year. These ten hours must be used by December 31, 2004.

ARTICLE 20. RE-OPENERS FOR ENHANCING PERS RETIREMENT BENEFITS

The City agrees to reopen negotiations during the term of this M.O.U. specifically to consider adopting an increased retirement benefit formula of 2.5% at 55 OR 2.7% at 55 for Miscellaneous employees at such time as said benefit can be implemented when it is financially feasible to the City.

ARTICLE 21. PREVAILING BENEFITS

All benefits, privileges, and working conditions enjoyed by the Management Unit employees at the present time, which are not included in this agreement, shall remain in full force, unchanged and unaffected in any manner, during the term of this agreement unless changed by mutual consent.

ARTICLE 22. DEATH OF EMPLOYEE

If a Management Unit employee dies while on duty, the City shall calculate compensation for the entire shift.

The eligible dependents of deceased employees shall be entitled to benefits as follows:

Sick leave accruals, lifetime medical insurance and other applicable benefits shall be calculated and/or compensated according to the eligibility requirements stated in the current MOU.

In the event the deceased employee qualified for a service retirement (i.e. age 50 and with a minimum of five (5) years of service with the City), the City shall calculate and/or compensate benefits in the same manner as an employee service retirement.

ARTICLE 23. EXTENSION OF M.O.U

The City agrees that if a successor M.O.U. has not been reached by 12:00 a.m. (midnight) on the expiration date, the terms and conditions of the existing M.O.U. shall be extended six (6) months or until a successor M.O.U. is adopted, whichever occurs sooner.

ARTICLE 24. SAVINGS CLAUSE

If any provision of this M.O.U., or the application of any provision, should be rendered invalid by court of legislative action, the remaining portions of this Agreement shall remain in full force and effect.

REDLANDS ASSOCIATION
OF MANAGEMENT EMPLOYEES

John N. Jaquess

Date

Douglas D. Headrick

Gary Van Dorst

CITY OF REDLANDS

Susan Pepler, Mayor

Date

ATTEST:

Lorrie Poyzer, City Clerk