

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

CITY OF REDLANDS

AND THE

**REDLANDS ASSOCIATION OF
DEPARTMENT DIRECTORS**

JULY 1, 2023 - JUNE 30, 2026



MEMORANDUM OF UNDERSTANDING

Between

The City of Redlands

And

Redlands Association of Department Directors

July 1, 2023 – June 30, 2026

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Article 1. TERM OF MEMORANDUM OF UNDERSTANDING

Except where expressly stated otherwise herein, the City of Redlands ("City") and the Redlands Association of Department Directors ("Unit") agree that the provisions of this Memorandum of Understanding (MOU) shall become effective on July 1, 2023 and shall expire on June 30, 2026.

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 and the Unit.

Article 3. TERMS AND CONDITIONS OF EMPLOYMENT

- A. Unit employees serve at the will and pleasure of the City Manager. The appointment of a person to a Department Director position will be made by the City Manager.
- B. The various forms of compensation and benefits described in this MOU are the result of the City's recognition that Unit employees should be compensated appropriately for exhibiting accountability, cost effectiveness, the ability to apply new technologies and maximize the utilization of human, physical and fiscal resources to enhance the mission of the City; and for stimulating the development of people and establishing methods which facilitate the meeting of City goals and objectives.

Article 4. SALARIES AND ADDITIONAL COMPENSATION ADJUSTMENTS

- A. All Unit Employees shall receive the following salary increases. The Salary Range Table is established to provide the minimum and maximum salary levels for each Unit employee position. Further, all Unit employees are responsible for the employee contribution to Social Security and Medicare.
 - 1. Effective the first payroll period following July 1, 2023, all Unit employees will receive a seven percent (7%) increase to base salary.
 - 2. Effective the first payroll period following July 1, 2024, all Unit employees will receive a two percent (2%) increase to base salary over the prior year.
 - 3. Effective the first payroll period following July 1, 2025, all Unit employees will receive a two percent (2%) increase to base salary over the prior year.
- B. The City recognizes that to recruit and retain well-qualified Department Directors and enhance their management capabilities in areas such as leadership and accountability, Unit employees should be compensated appropriately for exhibiting accountability, cost effectiveness, the ability to apply new technologies and maximize the utilization of human, physical and fiscal resources; for exerting leadership to enhance the mission of the City; and for stimulating the development of people and methods which will facilitate the meeting of City goals and objectives.
- C. To facilitate and enhance effectiveness and productive efforts of Unit employees, salary and benefit levels will be reviewed on a periodic basis and may be adjusted from time to time, within the budget appropriation levels established by the City Council. This review will consist of the following two components:
 - 1. Performance Evaluations:
Progression in the salary range for all Unit Employees shall be based on the employee's performance. The City Manager shall be responsible for evaluating such performance.
 - 2. Compensation (Salary and Fringe Benefits) Survey:

The compensation philosophy of the City is to establish a compensation package that will attract the highest caliber individuals. Therefore, the second component will contain comparisons with other similar agencies within the appropriate job market. These factors will be utilized to consider salary and benefit levels that will facilitate continuation of this philosophy.

- D. Eligibility for one-time per year performance-based distributions. The City shall make available for the purpose described herein, the cash equivalent of the value of a 2% base salary increase for all filled positions within the Unit. Prior to the conclusion of the applicable fiscal year, the City Manager shall in his or her sole discretion have the authority to utilize any or all of the allocated funds to provide a one-time cash distribution to any one or more Unit members. Subject to the limitation that the cumulative value of the City Manager-distributed one-time payments shall not exceed the total value of allocated funds for that fiscal year, there is no minimum or maximum amount that the City Manager may award to any individual Unit employee. Additionally, the City Manager also has discretion to issue one-time awards.

In exercising his discretion in this regard, only employees in the Unit that have exhibited what the City Manager in his or her sole discretion determines to be "exceptional" performance during the applicable fiscal year, shall be eligible for receipt of a one-time distribution. The distribution shall not impact the Unit employee's salary range or step.

Available one-time payment funds not distributed in the designated fiscal year, shall not accumulate and carry over into any future fiscal year and instead, shall be returned to the City for other Council-determined uses.

Article 5. RETIREMENT

A. Classic Members

All "classic" Unit employees shall personally fund 100% of the 7% of compensation earnable as and for the individual employee's normal employee PERS contribution. (The term "classic" member is defined in the Public Employee's Pension Reform Act of 2013 "PEPRA.")

All "classic" employee normal contributions required to be paid by the employee, whether paid by the employer or the employee, shall be credited to the member's CalPERS account.

Whether as authorized by Government Code § 20692, 20636(c)(4) or any other statutory or legal basis, the City shall not report to CalPERS as any type of compensation, any portion of the normal employee PERS contributions required by PERS which are funded by the employee.

The City shall continue to include in this contract with CalPERS, the following provisions.

HIGHEST SINGLE YEAR
SURVIVOR CONTINUANCE
2% @ 55 RETIREMENT FORMULA (MISCELLANEOUS)
3% at 50 RETIREMENT FORMULA (SAFETY)

B. New Members

The Public Employee’s Pension Reform Act of 2013 – “PEPRA” (signed by the Governor on 09/07/12,) shall in its entirety be given full force and effect as it may from time to time exist, during and after the term of this MOU, as described below.

Unit employees who are “new members” as defined in the PEPRA, shall individually pay an initial member CALPERS contribution rate of 50% of the normal cost rate (as defined and calculated by CalPERS) for the Defined Benefit Plan in which said newly hired member is enrolled, rounded to the nearest quarter of 1%, or the current contribution rate of similarly situated employees, whichever is greater. (Government Code section 7522.30)

Unit employees who are “new members,” as defined in the PEPRA, on and after January 1, 2013, shall be enrolled in the retirement plan of 2%@62 (Government Code section 7522.20(a), for “miscellaneous” new members, or the 2.7% at 57 retirement plans for “safety” new members (Section 7522.25) with final pensionable compensation (as defined for new members in Government Code § 7522.34) being determined by reference to the highest average annual pensionable compensation earned during a period of 36 consecutive months. (Government Code § 7522.32(a).)

Article 6. TUITION REIMBURSEMENT

- A. The City will reimburse each Unit employee for actual costs of fees, tuition and books, for such employee’s attendance at an accredited institution of higher learning, at the rate up to the cost at University of California, Riverside (UCR) for the same or similar course.
- B. Unit employees must submit a request form with documents describing the course and program and cost to the Human Resources Director for approval prior to beginning class.
- C. To be eligible for reimbursement, a Unit employee must submit evidence of actual payment of expenses incurred and satisfactory completion of course work with a grade of “C” or better or equivalent.
- D. Unit employees may use up to one thousand dollars (\$1000) of tuition assistance per fiscal year to attend training, conferences, and/or seminar of their choosing.

Article 7. CELL PHONE ALLOWANCE

Unit employees shall be provided a city-issued cell phone. In lieu of a city issued cell phone, unit members may opt for a cell phone allowance in the amount of \$100 per month.

Article 8. AUTO ALLOWANCE

Unit employees shall receive a \$500 per month vehicle allowance, except the following positions shall be provided vehicles:

- Police Chief
- Fire Chief
- Director, Municipal Utilities and Engineering

Unit employees must participate in the City DMV Pull Notice Program. Unit members receiving an Auto Allowance or utilizing their personal vehicle for business reasons must provide the following:

1. Proof of valid insurance with acceptable levels as set by the City.
2. Proof of valid, class C California driver license.
3. If assigned, a City-owned vehicle may be used by a Unit employee for City business and for commuting to and from the employee’s residence, including de minimis personal use during

the employee's commute. De minimis personal use shall be defined as occasional or infrequent use during the course of the employee's regular commute so small as to be unreasonable or administratively impracticable to account for. The City will incur all costs related to the provision of the vehicle, including maintenance and insurance. The Unit employee shall be responsible for ensuring the City's vehicle is appropriately secured when parked at the employee's residence.

Article 9. UNIFORM ALLOWANCE

The Police Chief and Fire Chief who wear their uniforms for public ceremonies or for operational necessity are entitled to a stipend equal to that received by the respective safety management employees.

Article 10. BENEFITS

A. MEDICAL INSURANCE

The City shall contribute directly to CalPERS on behalf of each employee three hundred and ninety-seven dollars (\$397.00) per month pursuant to Resolution No. 4572, adopted by the City Council on September 5, 1989. In addition, the City shall contribute an amount through the City's cafeteria plan that is equal to the difference between \$397.00 per month and the cost of the medical premium selected by the unit employee.

The City agrees to provide a stipend of \$350, on a monthly basis, for those Unit employees with alternative medical coverage who opt for the stipend in lieu of the medical insurance benefit.

Insurance Adjustment: In July of each year, the City shall pay each 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.

B. DENTAL INSURANCE

The City shall pay the full monthly premium for dental insurance under the Principal Financial dental plan or its equivalent for each Unit employee and all eligible dependents.

C. VISION

The City shall contribute the entire monthly premium for Unit employees and their eligible dependents for a vision insurance plan with VSP or an equivalent insurance plan as approved by the City.

D. DISABILITY

All unit employees shall pay the premium for the State Disability Insurance Program.

E. LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE

All unit employees shall be covered by the City's group term life insurance and accidental death and dismemberment (AD&D) insurance plan. The City will pay the premiums for life insurance coverage amounts of \$25,000 for basic life and \$25,000 for accidental death and dismemberment policies.

F. YMCA MEMBERSHIP

In an effort to support a healthy life-style for all Unit employees, the City will provide a paid annual membership for Unit employees and their families to the Redlands YMCA.

Article 11. LIFETIME MEDICAL

Unit employees who achieve fifteen (15) years of service with the City shall be entitled to Lifetime Medical coverage for themselves and their dependents upon separation of service from the City. "Lifetime Medical" means health insurance and dental insurance as provided by the City to its then existing Unit employees through the CalPERS or similar group medical plan as determined by the City which does not exceed the cost to the City of the CalPERS plan. After completion of fifteen (15) years of continuous service with the City a Unit employee hired prior to January 1, 2009 who qualifies as an annuitant under PEMHCA may elect to receive as a City contribution to a retiree health savings account the difference between the PEMHCA minimum and the cost of fully paid medical insurance under the City's medical insurance program for the Unit employee and their eligible dependents

Employees hired after January 1, 2009 shall not be entitled to this benefit. Any employee who is promoted into the Unit shall maintain any Lifetime medical benefit such employee has previously accrued with the City and/or eligibility to earn the Lifetime Medical benefit if they had that right under their previous Memorandum of Understanding

Unit members hired after January 1, 2009 with ten (10) years of continuous employment with the City who concurrently retire from the City and the CalPERS system who qualify as an annuitant under PEMHCA may elect to receive the "Medical Bridge." Under the "Medical Bridge," the City will contribute the difference between the PEMHCA minimum and the cost of single party coverage for the retired unit member only for the lowest cost medical and dental insurance plans as provided by the City to its then existing Unit members until the member reaches the age of Medicare eligibility at which time the benefit will cease and unit members will only receive the PEMHCA minimum contribution. Unit members who receive the medical bridge can select higher cost plans offered by the City to its then existing members and/or coverage for dependents, however, the additional cost for the plan or additional dependents shall be paid for by the Unit member and not by the City.

Unit members hired prior to January 1, 2009 who have achieved ten (10) years of service with the City, shall be entitled to the medical bridge insurance upon retirement from the City if the employee failed to achieve the fifteen (15) years of service required for the Lifetime medical benefit.

Article 12. HOLIDAYS

A. The following paid holidays will be observed on the day specified.

New Year's Day	January 1 st
Martin Luther King's Birthday	3 rd Monday in January
Presidents' Day	3 rd Monday in February
Cesar Chavez Day	March 31 st
Memorial Day	Last Monday in May
Juneteenth	June 19 th
Independence Day	July 4 th
Labor Day	1 st Monday in September
Columbus Day	2 nd Monday in October

Veteran's Day	November 11 th
Thanksgiving Day	4 th Thursday in November
Day After Thanksgiving Day	Day After 4 th Thursday in November
Christmas Eve	December 24 th
Christmas Day	December 25 th

- B. Any holiday listed in this Section which falls on Sunday will be observed on the following Monday.
- C. Any holiday listed in this Section which falls on Saturday will be observed on Friday.
- D. In any instance where a Unit employee is required during a designated holiday to render services during any or all of what would have been regularly scheduled hours, the paid holiday shall be banked and the employee shall have the option of utilizing the holiday during the thirty (30) calendar day period immediately following the holiday. Failure to timely take the banked holiday off, shall result in loss of the holiday, with no cash or other compensation for the holiday.

Article 13. ANNUAL LEAVE

- A. Unit employees shall combine existing Sick Leave and vacation balances as well as Floating Holidays and Executive Leave to Annual Leave.
- B. The purpose of Annual Leave is to provide Unit employees the ability to accrue time for Vacation, Sick Leave and personal leave situations.
- C. Unit employees shall accrue Annual Leave hours at a rate of 430 hours per year (16.54 hours per payroll period), regardless of years of service, whether at the City or elsewhere.
- D. The maximum annual leave balance shall be 900 hours. No Unit employee shall accrue annual leave above 900 hours.
- E. As a matter of City policy, Unit employees are encouraged to use annual leave.

Unit employees may elect to convert up to 430 hours of annual leave earned in the following calendar year to cash to be paid during the first week of May, the first week of September, and the last week of December of each year. For every subsequent year, such election by a unit employee shall be made in November of such year. This election is irrevocable and may not be changed after the election is made. Only amounts earned in the current year prior to the cash out date may be elected to convert to cash. A total of 50 hours of annual leave must be on the books at the time of the "cashout" date in order for payment to be made. If a unit employee does not have the elected amount of hours available at the time of payout, they will be paid the hours that are available above the 50 hours required to remain on the books.

Article 14. ACCRUAL PAYMENT ON RETIREMENT

Upon service or medical retirement under the PERS retirement plan, or in the event of the death of a Unit employee prior to retirement, PERS members with less than fifteen (15) years of service with the City may elect one of the following options for payment of unused annual leave:

- A. Convert all remaining annual leave accrued at the time of retirement to cash value at the final rate of pay and apply said cash value to applicable premiums payable under the City's medical insurance program for the Unit employee and eligible dependents until the cash value is exhausted. This amount is subject to all applicable taxes. In the event that the Unit employee dies prior to exhaustion of the cash value of said benefits, the remaining cash value may be applied towards the premiums of

covered dependents until exhausted, subject to the conditions and limitations of the applicable insurance policy.

- B. At the time of service retirement, disability retirement, or at the death of an active Unit employee, one hundred percent (100%) of accrued annual leave may be converted to cash or applicable deferred compensation plan at the prevailing hourly rate.

Article 15. EMPLOYEE SEVERANCE COMPENSATION

Unit employees may terminate from employment at any time, provided the unit employee provides the City with at least thirty (30) days prior written notice, unless such notice is waived in whole or in part by the City Manager.

Unit employees may be terminated from employment at any time with or without cause, by providing written notice to unit employee of the same. The City’s right to terminate unit employee shall not be subject to, or in any way limited by, the City’s Personnel Rules and Regulations, or any subsequent related resolutions, or past City practices related to the employment, discipline or termination of the City’s unit employees. Unit employee expressly waives any rights provided for under the City’s Personnel Rules and Regulations, Municipal Code, or under other local, state or federal law related to any form of pre- or post-termination hearing, appeal, or other administrative process pertaining to termination. Nothing in this article shall be construed to create a property interest, where one does not exist by rule of law.

Unit employees may be terminated at any time by providing unit employee with prior written notice of the termination for cause and the facts and grounds constituting such cause. The term “cause” shall be defined to include any sustained finding of misconduct materially related to performance of official duties, including, but not be limited to, any of the following: (1) willful or persistent material breach of duties or inattention to duties, (2) résumé fraud or other acts of material dishonesty, (3) unauthorized or excessive absence or leave, (4) conviction of a misdemeanor involving moral turpitude (i.e., offenses contrary to justice, honesty, or morality) or abuse of position, (5) conviction of a felony under California law, (6) violation by Unit employee of the City’s anti-harassment and anti-discrimination policies, as may be amended, (7) violation of state law or the RMC or any City ordinance, rule or regulation, (8) use or possession of illegal drugs in violation of state law and/or City policy, (9) continued abuse of non-prescription drugs or alcohol that materially affects the performance of required duties, (10) engaging in conduct unbecoming for a public official or which brings disrepute to the City, (11) any illegal or unethical act involving personal gain, including conviction of theft or attempted theft, (12) Unit employee’s significant mismanagement of City finances, (13) any pattern of repeated, willful and intentional insubordination of the City Manager’s lawful directives, (14) gross misfeasance or gross malfeasance, (15) failure to comply with the ICMA Code of Ethics, as may be amended; or (16) any similar lawful cause. For any of the foregoing, the City may, in its discretion, place unit employee on paid or unpaid administrative leave until resolution. If a unit employee is terminated for cause, then the City shall have no obligation to pay unit employee any severance.

The City may terminate unit employee without cause, but rather based upon any lawful management reason such as implementing the City’s goals or policies, including, but not limited to: (i) change of administration, or (ii) incompatibility of management styles, or for any other lawful reason, or no publicly stated reason.

In the event Unit employee is terminated without cause and Unit employee does not challenge such termination, including, but not limited to, by means of appeal or civil or administrative claim or “liberty-interest” hearing, then the City shall pay to unit employee severance in an amount determined by the City Manager that shall not be less than three months of the unit employee’s monthly base salary and shall not exceed six months of the unit employee’s monthly base salary. The severance payment shall not include the monetary value of benefits during said time, but salary only. In exchange for receiving severance, unit employee will execute a waiver and release of any and all claims against the City.

If unit employee is terminated for cause or if the unit employee initiates termination of employment, then the City shall have no obligation to pay severance.

Article 16. FAMILY MEDICAL CARE LEAVES

- A. Family Leave shall be granted in accordance with the California Rights Act of 1991 (CFRA) and the Family and Medical Leave Act of 1993 (FMLA), and any amendments thereto and implementing regulations for those respective statutes. The City’s Human Resources Department shall be responsible for administration of all leave taken pursuant to this Article 16.
- B. Unit employees may utilize up to twelve weeks of Annual Leave for leaves of absence that fall under the provisions of the FMLA and CFRA. This Annual Leave is in addition to any other paid or unpaid leave, which may be granted under the provisions of FMLA and CFRA. Annual Leave shall be used prior to the unpaid leave provisions of FMLA and CFRA.

Article 17. DEFERRED COMPENSATION

All Unit employees are eligible to participate in the City’s Deferred Compensation Plans, 457 (B) and 401 (A), as provided for in State and Federal Tax Codes. The City will contribute \$1,125 per year plus 4% of salary to a 401 (A) plan for each Unit employee. Each Unit employee may contribute additional deferred compensation to the 457 (B) Plan in accordance with Plan provisions.

Unit employees hired before December 31, 2005 shall convert all annual leave in excess of 450 hours into the 401(a) program on the first pay period of August each year. Any amount in excess of the maximum amount allowable will remain in the unit members annual leave bank.

Upon retirement from the City, Unit employees shall deposit the cash value of annual leave to the 401(a) program in the maximum amount allowable. Any leave over the maximum allowable amount will be paid out in cash.

Article 18. FLEXIBLE SAVINGS PLAN

The City offers Flexible Spending Accounts (FSA) to all Unit employees. An FSA allows an employee to make pre-tax deductions for qualifying medical, dental and vision expenses, and dependent care expenses. The plan is established and administered in accordance with Section 125 of the Internal Revenue Service code.

Article 19. EMPLOYEE ASSISTANCE PROGRAM

The City offers all Unit employees an employee assistance program. Confidentiality regarding a Unit employee’s use of this program will be maintained in full compliance with State and Federal Regulations.

Article 20. BEREAVEMENT LEAVE

All Unit employees receive two working days of paid Bereavement Leave for the death of a member of an employee’s immediate family (defined as spouse, state-registered domestic partners, children, parents, brother, sister, grandfather, grandmother, mother-in-law, father-in-law, step-father, step-mother, and step-children).

Article 21. MANAGEMENT RIGHTS

Management rights shall consist of the exclusive right to determine the mission of its constituent departments, commissions, 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 efficient of work; maintain the efficient 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.

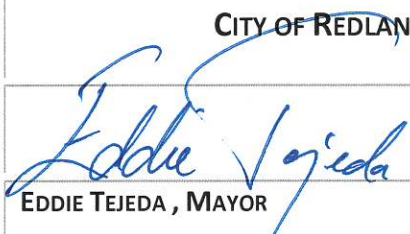

Article 22. SAVINGS CLAUSE

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

Article 23. ZIPPER CLAUSE

The City and the Unit agree that all negotiable items have been discussed during the negotiations leading to this MOU, including salaries and benefits, and conditions of employment, and therefore the City and the Unit further agree that negotiations will not be reopened on any item during the term of this MOU, except by mutual agreement of the City and the Unit, or as expressly provided otherwise in this MOU.

Article 24. SIGNATURES

CITY OF REDLANDS		REDLANDS ASSOCIATION OF DEPARTMENT DIRECTORS - RADD	
			
EDDIE TEJEDA, MAYOR		CHRISTOPHER BOATMAN, PRESIDENT	DATE 6-16-23
ADOPTED, SIGNED AND APPROVED THIS 20 TH DAY OF JUNE, 2023			

ATTEST:



Jeanne Donaldson, City Clerk