

**CITY OF SAN MATEO
RESOLUTION NO. ____ (2020)**

**APPROVING AMENDMENTS TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE
CITY OF SAN MATEO AND THE SAN MATEO MANAGEMENT EMPLOYEES ASSOCIATION**

WHEREAS, the amendments are related to salary, term, other pays and miscellaneous language changes relating to departmental operations, and language clarity for the unit; and

WHEREAS, the parties have met and conferred, and have reached tentative agreement to amend the Unit's MOU; and

WHEREAS, the Unit has ratified the Tentative Agreement; and

WHEREAS, no appropriation of additional funds to the Fiscal Year 2019-2020 Budget is necessary;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, HEREBY RESOLVES that:

1. The amendments to the Memorandum of Understanding for the San Mateo Management Employees Association, set forth in the Tentative Agreements attached as Exhibit A, are approved and summarized as follows:

Term: The contract will be for a period of 3 years, expiring on April 15, 2023.

Salary: The bargaining unit will receive a 2.5% salary increase effective April 5, 2020, a 2.0% increase effective April 4, 2021, and a 1.0% salary increase effective April 3, 2022.

Housing Allowance: Effective April 5, 2020 employees will receive a housing allowance of \$200.00 per month.

Retirement: Effective April 5, 2020, employees will begin receiving a City contribution of 0.25% of base salary to a Retirement Health Savings Account (RHSA).

Executive Leave Sell Back: Effective April 12, 2020 the amount an employee may elect to sell back increases from 40 to 48 hours during a calendar year.

Holiday: Effective April 12, 2020 holiday credit for classifications that work without regard to holidays will convert from holiday hours to 5.0% holiday-in-lieu pay for the classifications of Wastewater Treatment Plant Shift Supervisor, Police Records and Communications Manager, and Dispatch Services Supervisor.

Compensatory Time Off for Non-Exempt Employees: Effective April 12, 2020 the maximum amount employees may accumulate increases from 40 hours to 80 hours.

Other: There are language changes relating to departmental operations and housekeeping language

that amend some of the terms and conditions of the contract.

2. There is no budget impact in the current fiscal year for these recommended changes, as any increases can be absorbed within existing operating budgets. Updated salary and benefit amounts for these positions will be incorporated into the 2020-21 budget.

City of San Mateo and San Mateo Management Association - 2020 Negotiations
Tentative Agreement

6.2 Temporary Upgrade Pay

In the event a Department Head determines that it is necessary to assign an employee to perform all of the duties of a higher paid classification ~~for two or more consecutive workweeks~~, he/she shall be entitled to payment for the higher classification for the entire duration of the assignment. Such rate of pay shall be at least five percent (5%) higher than the employee's current rate of pay except that if circumstances warrant, the City Manager may authorize a different salary in the established salary range.

In the event the City Manager appoints an employee in a Department Head temporary upgrade assignment ~~for two or more consecutive workweeks~~, the employee shall be paid a salary for the entire duration of the assignment which is the average of the established salary for the Department Head and the employee's current salary, except that if circumstances warrant, the City Manager may authorize a different salary in the established salary range. No differentials shall be paid in addition during such period in a Department Head temporary upgrade assignment.

Except with the approval of the City Manager, a temporary upgrade assignment shall not continue for longer than one year.

In the event that the Department Head or the City Manager decides to assign all the duties of a vacant Department Head or Division Head position to a "Management Team," the cost of paying one of the management employees temporary upgrade pay to fill the vacancy will be split between the members of the "Management Team" and be paid as a work out of class differential (not temporary upgrade pay) for the duration of the assignment.

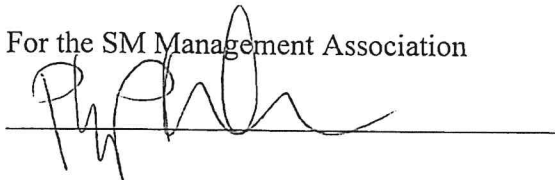
7.4 Compensation Increases During the Term of this Agreement

~~Effective May 7, 2017, the Unit will receive a four percent (4.0%) across the board increase. The classifications of WWTP Manager, Regulatory Compliance Manager, WWTP Operations Superintendent, WWTP Maintenance Superintendent, WWTP Shift Supervisor, Supervising Librarian and Supervising Library Assistant will receive an additional two percent (2.0%) salary increase to aid in recruitment and retention.~~


~~Effective April 8, 2018, the Unit will receive a three percent (3.0%) across the board increase. The classifications of WWTP Manager, Regulatory Compliance Manager, WWTP Operations Superintendent, WWTP Maintenance Superintendent, WWTP Shift Supervisor, Supervising Librarian and Supervising Library Assistant will receive an additional one percent (1.0%) salary increase to aid in recruitment and retention.~~

~~Effective April 7, 2019, the Unit will receive a three percent (3.0%) across the board increase.~~
Effective April 5, 2020, the Unit will receive an across the board increase of 2.5%. Effective April 4, 2021, the Unit will receive an across the board increase of 2.0%. Effective April 3, 2022, the Unit will receive an across the board increase of 1.0%.

For the SM Management Association



For the City of San Mateo

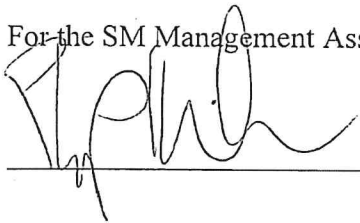


City of San Mateo and San Mateo Management Association - 2020 Negotiations
Tentative Agreement

26.6 Housing Allowance

To assist with the cost of housing for management association employees and to encourage them to live as close to the City of San Mateo as possible, effective April 5, 2020 the City shall provide a \$200.00/month (\$92.31 biweekly) housing allowance.

For the SM Management Association



For the City of San Mateo



City of San Mateo and San Mateo Management Association - 2020 Negotiations

Tentative Agreement: Retirement Health Savings Account

25.5 Retirement Health Savings Account

Effective the pay period of April 5, 2020, the City will contribute 0.25% of base salary per month for all classifications in the bargaining unit to a Retirement Health Savings Account (RHSA).

Effective April 19, 2009 the existing RHSA plan was modified to be compliant with IRS rulings covering individual contributions and separation pay.

~~Effective April 13, 2014:~~

At the time of service or disability retirement from City merit employment, separation pay arrangements shall be as follows: ~~all eligible accrued sick leave shall be contributed to the employee's RHSA.~~

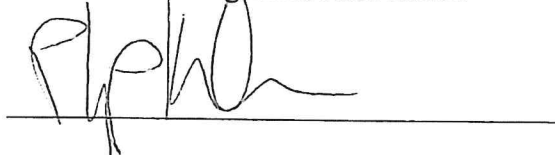
- For employees with 15 years or less of merit service credit, all eligible leave balances shall be contributed to the employee's RHSA.
- For employees with 16 or more years of merit service credit, 100% of all eligible accrued sick leave balances shall be contributed to the employee's RHSA.

At the time of non-retirement separation from City merit employment, employees shall contribute no accrued leaves to his/her RHSA.

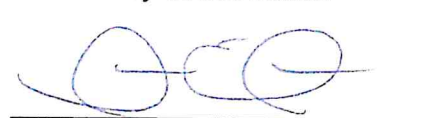
The Association may elect to change the above conversion of separation pay arrangement for each successive calendar year of this Agreement. The Association must notify the City's Human Resources Department in writing no later than November 30th of the change(s) to be made for the following calendar year. In the event notification is not received by the deadline, the separation pay arrangement in effect at the time will continue for the following calendar year.

During the term of this MOU, employees in this bargaining unit may elect to contribute a set amount of salary to the RHSA. The City shall be notified of any such election sixty (60) days prior to the effective date.

For the SM Management Association



For the City of San Mateo



City of San Mateo and San Mateo Management Association - 2020 Negotiations

Tentative Agreement: Executive Leave

8.7 Executive Leave/Exempt Personnel

It is the intent of the parties to establish a system for exempt personnel that is in compliance with FLSA. The City and the Association agree to the following:

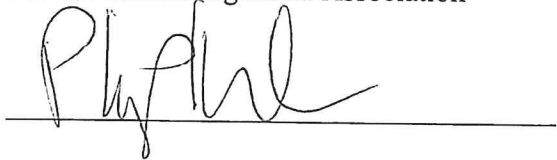
Exempt employees shall be designated by the City. Exempt employees accrue forty-eight (48) hours per year of executive leave. Executive leave accrues on a pay period basis. The executive leave shall be available for use subject to the following:

8.7.1 Executive Leave Accrual / Sell Back

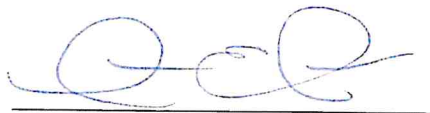
Executive leave shall have a maximum balance of eighty (80) hours. A Department Head may recommend to the City Manager that an additional amount of up to forty (40) hours of executive leave be authorized. This additional leave may be granted based on excessive hours, the value of the extraordinary effort, and the performance of the employee. The City Manager has full discretion in deciding whether to grant additional leave. In the event that the additional hours take the employee over the eighty (80) hour maximum, they will be required to sell back any hours above the eighty (80) hour maximum accrual.

Employees may elect to sell back up to ~~forty (40)~~ ^{forty-eight (48)} ~~sixty-four (64)~~ hours during a calendar year, following the procedure outlined in section 13.8 – Vacation Leave Sell Back. With Department Head approval, an employee granted additional executive leave hours under section 8.7.1 may elect to sell back up to an additional ~~forty (40)~~ ^{forty-eight (48)} ~~sixty-four (64)~~ hours of executive leave, following these same procedures.

For the SM Management Association



For the City of San Mateo



City of San Mateo and San Mateo Management Association - 2020 Negotiations
Tentative Agreement

12.5 Holiday Maximum Accumulation

The maximum accumulation for Wastewater Treatment Plant Shift Supervisors, Police Records and Communications Manager, and Dispatch Services Supervisor is eighty (80) hours. All other employees have a forty (40) hours maximum accumulation.

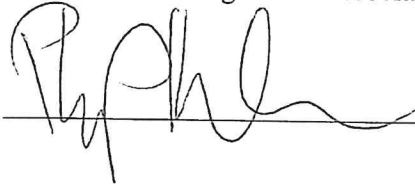
12.6 Holiday Factor

The Wastewater Treatment Plant Shift Supervisors, Police Records and Communications Manager, and Dispatch Services Supervisor cannot always take holidays when they fall. The aforementioned positions shall no longer accrue paid leave for the City's designated holidays. Effective the first full pay period after Council adoption, employees in these classifications shall receive holiday-in-lieu pay at the rate of 5.0% of base pay each pay period. be compensated for thirteen (13) holidays a year by being placed on a bi-weekly holiday factor. Remaining accrued holiday balances shall be used by May 29, 2021 or will be cashed out the following pay period and is not reportable to CalPERS.

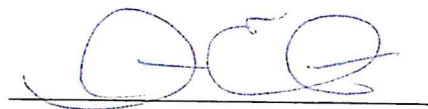
8.6 Compensatory Time Off (CTO) in Lieu of Overtime/Non-Exempt Employees

Non-exempt employees may waive direct payment of overtime and in lieu thereof may accumulate equivalent time off at the one and one-half time (1½) rate to a maximum of forty eighty (4080) straight time hours.

For the SM Management Association



For the City of San Mateo



City of San Mateo and San Mateo Management Association - 2020 Negotiations
Tentative Agreement

3.0 LIMITED DURATION POSITIONS

The City may hire employees in limited duration positions (non-permanent positions) that will not exceed three (3) years for any of the following reasons: (1) where the position is created for a project(s) or work that is expected to be completed within three (3) years; (2) where the position is funded by grant funds of three (3) or less years in duration; or (3) where the position is funded by moneys from capital or enterprise funds that may be unavailable after three (3) years. Employees shall be informed of the duration of the position at the time of employment. At the end of the position's duration, employment shall terminate and the employee shall not have layoff rights, bumping rights, severance payments or reemployment rights. ~~This provision shall supersede Personnel Rule Sections 1 (14) and (24).~~ Should an employee who was originally hired to fill a limited duration position be later appointed to a permanent merit position, his/her hire date will be that date that service began in the limited duration position.

6.5 Wastewater Treatment Plant Shift Differential

~~Effective July 3, 2016, s~~Shift differential for the hours between 6:00 p.m. – 6:00 a.m. shall be paid at the rate of ~~\$2.35~~\$2.50 for each hour actually worked. ~~This amount shall increase to \$2.50 an hour on July 1, 2018.~~

13.8 Vacation Leave Sell Back

An employee who, at the time of election, has taken at least eighty (80) hours of accrued vacation, executive leave, and/or holiday leave during the preceding twelve (12) months may make an irrevocable election to sell back to the City up to eighty (80) hours of accrued vacation at the employee's established rate of pay.

~~This provision will start with elections made in calendar year 2017 for the following calendar year.~~ Requests must be received by Payroll no later than December 31 for the following year elections. No employee can elect to sell back more than their annual vacation accrual. Elected hours not requested for distribution (sell back) by ~~December 31~~December 1 will be automatically distributed in the next pay period (sell back cannot be more than the hours available at time of distribution).

Employees joining the bargaining unit with leave balances in excess of the maximum accumulation of leave hours will automatically sell back the number of hours required to meet the maximum accumulation allowed.

9.0 ACCRUAL OF VACATION, SICK LEAVE AND HOLIDAY LEAVE

Employees shall accrue vacation leave, sick leave and holiday leave on a pro-rata basis in proportion to regular hours (non-overtime) on the payroll. Credit shall not be received for time off without pay.

Vacation leave, sick leave, and holiday credits shall accrue from date of appointment.

Employees separating from the City shall not be allowed to remain on the payroll after their last day at work. Severance payment shall be provided in a lump-sum for all leave accrual eligible for payout. The intent of this paragraph is to prevent employees from running out vacation and thereafter not returning to work or returning for only a very short time period.

14.4.1 Service or Disability Retirement

Upon service or disability retirement, employees shall be paid fifty (50%) of their accrued sick leave up to a maximum of four hundred eighty (480) hours payment. No payments of sick leave shall be due or owed to any employee who is terminated by the City under the discipline process.

~~All employees with one (1) year of continuous merit system service, whose employment is terminated because of layoff or death, may be granted one (1) working day termination allowance at their basic pay rate, in addition to other compensation due them and one additional day for each complete year worked thereafter.~~

14.4.2 Severance Pay

All employees with one (1) year of continuous merit system service whose employment is terminated because of layoff or death shall be granted ~~their option of one of the two (2) types of separation pay described above.~~ the most advantageous of the following two (2) options:

- Fifty percent (50%) of their accrued sick leave up to a maximum of four hundred eighty (480) hours payment, or
- One (1) working day termination allowance at their basic pay rate, and one additional day for each complete year worked thereafter.

~~Employees separating from the City shall not be allowed to remain on the payroll after their last day at work. Severance payment shall be provided in a lump-sum for all leave accrual eligible for payout. The intent of this paragraph is to prevent employees from running out vacation and thereafter not returning to work or returning for only a very short time period.~~

24.5 Dental Insurance

The City shall provide dental care benefits for employees and their dependents including domestic partners. ~~Effective August 6, 2000, the dental benefits 100/80/80 will include a maximum calendar year payment of \$3,000 and 50% orthodontic coverage with a \$2,000 lifetime maximum. Effective July 1, 2017 the orthodontic coverage will increase to a \$3,500 lifetime maximum.~~

24.6 Flexible Benefits Plan

It is understood that during the term of this contract, the City may seek expert opinion as to the parameters of this plan and all contributions to the Plan and to the Retirement Health Savings

Account outlined below are contingent upon compliance with state and federal rules and regulations. The Parties agree to meet and confer regarding a replacement provision if any part of this structure is found to be noncompliant.

Effective January 1, ~~2017~~2020, the City shall contribute up to ~~\$1,716.13~~ \$1,798.26 (inclusive of the \$160 maximum City contribution towards group medical insurance) per month towards the flexible benefit plan.

~~On January 1, 2018 and each~~Each January during the term of this Agreement, the City's contribution to the Plan will be adjusted to 100% of the Kaiser Bay Area health plan Single rate, 90% of the Kaiser Bay Area health plan Two-Party rate, and 90% of the Kaiser Bay Area health plan Family rate offered under the PEMHCA contract.

The City's contribution for part-time merit workers working less than 40 hours per week shall be prorated.

If an employee is eligible for alternative group medical insurance through a spouse or domestic partner's employer-sponsored medical plan, the employee may waive the City's medical insurance coverage and select such alternate plan. Proof of such alternate coverage is required prior to waiving coverage through the City plan. Any employee who waives medical coverage entirely shall be eligible to receive in cash the waiver amounts outlined below.

Waiver of Coverage:

For employees waiving health insurance entirely, the employee will be eligible to receive ~~\$100~~\$160.00 per month as part of their salary. ~~Effective May 7, 2017 this amount will increase to \$160.00 per month.~~

Cash disbursements for part-time merit workers working less than 40 hours per week shall be prorated. Any workers exceeding 40 hours per week will not be given any additional cash disbursement.

25.5 Retirement Health Savings Account

Effective April 19, 2009 the existing RHSA plan was modified to be compliant with IRS rulings covering individual contributions and separation pay.

- At the time of service or disability retirement from City merit employment, separation pay arrangements shall be as follows:
 - For employees with 15 years or less of merit service credit, all eligible leave balances shall be contributed to the employee's RHSA.
 - For employees with 16 or more years of merit service credit, 100% of all eligible accrued sick leave balances shall be contributed to the employee's RHSA.

- At the time of non-retirement separation from City merit employment, employees shall contribute no accrued leave to his/her RHSA.

The Association may elect to change the above conversion of separation pay arrangement for each successive calendar year of this Agreement. The Association must notify the City's Human Resources Department in writing no later than November 30th of the change(s) to be made for the following calendar year. In the event notification is not received by the deadline, the separation pay arrangement in effect at the time will continue for the following calendar year.

During the term of this MOU, employees in this bargaining unit may elect to contribute a set amount of salary to the RHSA. The City shall be notified of any such election sixty (60) days prior to the effective date.

26.4 Flexible Work Hours or Telecommuting

~~If a member's request for telecommuting or a flexible work hours schedule is denied, the Department Head will meet, upon the member's request, to explain the reason(s) for denial.~~

~~The City and the Unit agree that an employee's ability to flex his/her work schedule is a privilege and benefit and not a right.~~ Flex time can result in better morale and in reducing commute-related traffic congestion and is consistent with the City's interest in becoming a more sustainable community. Employees may propose an alternate work schedule (flexible work hours) such as the 9/80 or 4/10 plans with forty (40) hour workweeks. With department head ~~and Human Resources Director or his/her designee's~~ approval, the use of alternative flexible work schedules can be implemented where such schedule can be accommodated without impairing departmental operation or service to the public. Such alternate schedules will not be unreasonably denied by the City. A decision not to approve an alternate work schedule proposal is not grievable. If a member's request for telecommuting or a flexible work hours schedule is denied, the Department Head will meet, upon the member's request, to explain the reason(s) for denial.

If provided, time will be accrued based on the standard 5/8, forty (40) hour work schedule. Employee leave banks will be charged on the hours actually taken off. Employees will be required to supplement holiday time (eight (8) hours for full time employees) to receive full payment for nine (9) or ten (10) hour holidays designated.

The workweek will change to accommodate 9/80 schedules without accruing an overtime obligation for the basic work schedule.

26.5 Safety Shoes

The City shall provide a reimbursement of up to ~~\$140.00 per fiscal year. Effective July 1, 2017 the City shall provide a reimbursement of up to~~ \$200.00 every two years for one (1) pair of safety shoes for the following classifications:

Building Official
~~Deputy Building Official~~
Field Maintenance Manager
Fleet Services Supervisor
Golf Course Maintenance Supervisor
Inspection Supervisor
Managing Arborist
Parks and Landscape Maintenance Supervisor
Public Works Supervisor
Senior Code Enforcement Officer
Senior Engineer
Senior Traffic Engineer
WWTP Maintenance Superintendent
WWTP Operations Superintendent
WWTP Shift Supervisor

Additional classifications may be approved for reimbursement by the department head as deemed necessary. Said reimbursement shall be paid against official receipts for safety shoe expenditures. Safety shoes shall be defined by a classification's standard or by the employee's department head.

Delete all Side Letters to the MOU

Exhibit B

Exempt Positions (as defined by Section 8.1)

Accounting Manager
Assistant City Attorney
Budget Analyst
Budget Manager
Building Maintenance Supervisor
Building Official
Business Manager
Business Systems Analyst II
~~Chief of Planning~~
Code Enforcement Manager
Communications and Public Relations Analyst
Community Services Manager
Community Services Section Manager

Consulting & Applications Manager
~~Deputy Building Official~~
Deputy City Attorney I/II
Dispatch Services Supervisor
Economic Development Manager
Engineering Manager
Facilities and Fleet Services Manager
Field Maintenance Manager
~~Financial Services Manager~~
Fleet Services Supervisor
GIS Coordinator
Golf Services Manager
Housing Supervisor
Human Resources Analyst II
Inspection Supervisor
Laboratory Supervisor
Management Analyst II
Managing Arborist
Network Analyst
Park Planning Administrator
~~Parking Manager~~
Parks and Landscape Maintenance Supervisor
Parks and Landscape Manager
Payroll Supervisor
Permit Center Supervisor
Plan Check Supervisor
Planning Manager
Police Evidence Analyst
Police Records & Communications Manager
Police Records Supervisor
Principal Planner
Principal Transportation Planner
Project Manager II
Public Works Supervisor
Regulatory Compliance Manager
Senior Accountant
Senior Business Systems Analyst
Senior Code Enforcement Officer
Senior Community Services Supervisor
Senior Engineer
Senior Human Resources Analyst
Senior Management Analyst
Senior Planner
Senior Project Manager
Senior Risk Management Analyst
Senior Systems Analyst
Senior Traffic Engineer

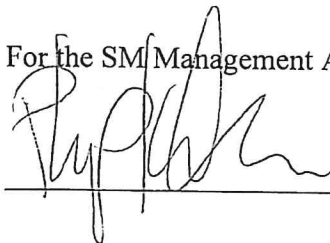
Supervising Librarian
Supervising Library Assistant
Sustainability Analyst
Systems Analyst II
Systems & Networks Manager
Systems Specialist
Technical Support Supervisor
Treasury & Debt Manager
Wastewater Treatment Plant Maintenance Superintendent
Wastewater Treatment Plant Operations Superintendent
Wastewater Treatment Plant Manager
Web Specialist

EXHIBIT C

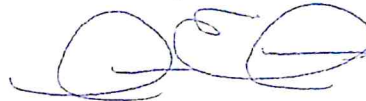
Confidential Employees in Unit (as defined by Section 1.1)

Accounting Manager
Assistant City Attorney
Budget Manager
Deputy City Attorney
~~Financial Services Manager~~
Human Resources Analyst I/II
Payroll Supervisor
Senior Accountant
Senior Human Resources Analyst
~~Senior Management Analyst in City Manager's Office~~
Treasury & Debt Manager

For the SM Management Association



For the City of San Mateo



City of San Mateo and San Mateo Management Association - 2020 Negotiations

Tentative Agreement

28.0 TERM OF MOU

This MOU shall terminate as of 11:59 p.m. ~~April 11, 2020~~ April 15, 2023. The existing and unmodified rules, regulations, resolutions or ordinances relating to wages, hours and conditions of employment not covered in this agreement for employees in this unit shall remain unchanged for said period unless such changes are the result of meeting and conferring as required by law.

This does not preclude the City from increasing wages and benefits during such period as deemed warranted by the City Council.

For the SM Management Association

A handwritten signature in black ink, appearing to be 'R. P. H.', written over a horizontal line.

For the City of San Mateo

A handwritten signature in blue ink, appearing to be 'G. E. O.', written over a horizontal line.