



CITY OF SAN MATEO

City Hall
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Agenda Report

Agenda Number: 13

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council

FROM: Drew Corbett, City Manager

PREPARED BY: Human Resources Department

MEETING DATE: April 18, 2022

SUBJECT:
San Mateo City Employees' Association Memorandum of Understanding – Amendment

RECOMMENDATION:

Adopt a Resolution to amend the Memorandum of Understanding with the San Mateo City Employees' Association for salary increases and a term through June 22, 2024.

BACKGROUND:

The San Mateo City Employees' Association (SMCEA) represents approximately 125 employees throughout the City.

Prior to the pandemic, the City's General Fund Long-Term Financial Plan assumed annual employee salary increases of two percent (2%). Due to the immediate and severe impact to transient occupancy tax and sales tax revenues caused by the COVID-19 pandemic, the City chose to tap into the Rainy-Day Reserve to prevent layoffs and conduct concessions bargaining. SMCEA was the second bargaining unit to agree to concessions that were equivalent to zero percent (0%) salary increase in fiscal year 2022 to support the Fiscal Sustainability Plan.

This agreement was reached on January 11, 2021 and adopted by City Council on February 1, 2021. The Memorandum of Understanding included a contract extension option that included the equivalent of zero percent (0%) salary increase in fiscal year 2023 in continued support of the City's Fiscal Sustainability Plan.

The Adopted 2021-22 Budget assumed zero percent (0%) salary increases for members of SMCEA. The mid-year budget update presented to the City Council on January 18, 2022, projected increased General Fund revenues of \$10.7 million and decreased expenditures of \$2.8 million, providing funds to support salary increases for those bargaining units that agreed to concessions.

Negotiations with SMCEA concluded on March 23, 2022, and the membership subsequently ratified the proposed changes to their Memorandum of Understanding. Consistent with the direction provided by the City Council, negotiators for the City and the bargaining unit have reached agreement.

These agreements include:

Term: The contract will be extended for two additional years, expiring on June 22, 2024.

Salary: The bargaining unit will receive a 4.0% salary increase effective May 1, 2022, and a 4.0% increase effective June 25, 2023.

Retiree Health Savings Account (RHSA): The City's contribution will return to 1.0% on the pay period beginning June 26, 2022.

BUDGET IMPACT:

Approval of the compensation resolution results in an increase of \$76,935 total compensation for SMCEA members for the remainder of the fiscal year. It is projected that there are sufficient budget appropriations in the 2021-22 operating budget to absorb the additional cost. Updated salary and benefit amounts for these positions will be incorporated into the 2022-23 budget.

ENVIRONMENTAL DETERMINATION:

This item is not a project subject to CEQA, because it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines Section 15378(b)(4).)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 – Proposed Resolution

Exhibit A – Tentative Agreement

STAFF CONTACT

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