

## LETTER OF UNDERSTANDING

Between the San Mateo Management Employees' Association and the  
City of San Mateo

The Memorandum of Understanding (MOU) between the San Mateo Management Employees' Association ("Association") and the City of San Mateo ("City") is set to expire at the close of business at midnight, April 15, 2023.

The City and the Association have agreed to extend the expiration of the MOU to April 12, 2025 and revise the language of Articles 7.4, 25.4, and 28.0 as follows:

### 7.4 Compensation Increases During the Term of this Agreement

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%. Effective April 2, 2023, the Unit will receive an across the board increase of 1.0%. Effective March 31, 2024, the Unit will receive an across the board increase of 1.0%.

In the event that the City's General Fund actual revenues for fiscal years 2021-22 and 2022-23 are greater than or equal to \$141.4M and \$144.6M, respectively, the City will reopen negotiations with the Association for potential compensation increases. The City's ability to potentially provide additional compensation will also factor in expenditures, particularly those related to pension and healthcare costs, that are greater than expected.

### 25.4 Deferred Compensation for Members of the Bargaining Unit

Employees are eligible to participate in the City-offered deferred compensation 457 plans. The City shall pay biweekly contributions of an amount equal to 1.5% of the employee's base salary into his/her deferred compensation 457 plan for all Association members. Effective June 27, 2021, the City's contribution shall be 0.50%. Effective June 25, 2023, the City's contribution shall be 0.75%. The City's contribution shall return to 1.5% on June 23, 2024.

Effective May 7, 2017, on a biweekly basis the City shall match up to an additional 1.0% of an employee's contribution into his/her deferred compensation 457 plan for all Association members.

Effective with the City's change to the calculation of the FLSA overtime rate to exclude 'pool money' (the City contribution to the cost of medical insurance premiums) from the calculation, for employees in non-exempt classifications only hired on or before the effective date of the change, the City shall make bi-weekly contributions of an amount equal to zero point nine percent (0.9%) of the employee's base salary into his/her deferred compensation 457 plan in recognition that 'pool money' will no longer be included in calculation of the FLSA overtime rate. This contribution ceases when the employee leaves the bargaining unit or moves into an exempt classification.

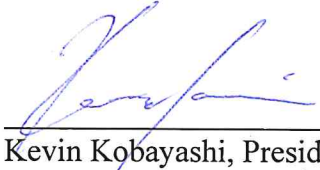
**28.0 TERM OF MOU**

This MOU shall terminate as of 11:59 p.m., ~~April 15, 2023~~ April 12, 2025. 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.

Dated: 9/2/2020

FOR THE SMMEA

By:   
Kevin Kobayashi, President

FOR THE CITY OF SAN MATEO

By:   
Teresa Abrahamsohn,  
Deputy Human Resources Director

cc: Casey Echarte, Human Resources Director  
Shawn Mason, City Attorney  
Janie Berry, Payroll Supervisor  
Human Resources Staff