

**CITY OF SAN MATEO
RESOLUTION NO. 1 (2026)**

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

WHEREAS, the San Mateo City Employees' Association's ("SMCEA") Memorandum of Understanding ("MOU") for the Association expires on June 19, 2027; and

WHEREAS, the amendments are related to changes in the conversion of separation pay arrangements regarding 24.11 Retirement Health Savings Account for the MOU for calendar year 2026; and

WHEREAS, the City and SMCEA met and conferred, and have signed a side letter of agreement to amend the Unit's MOU.

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

1. This side letter of agreement 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).)
2. The amendments to the MOU for the SMCEA, as set forth in the side letter of agreement attached as Exhibit A, pertain to employee separations (service or disability retirement) from the City occurring between January 1, 2026 and December 31, 2026 and are approved and summarized as follows:
 - a. Employees with less than 11 years and 3 months of service shall have all eligible accrued sick leave contributed to Retirement Health Savings Account, and all other eligible accrued leaves shall be in cash.
 - b. Employees with more than 11 years and 3 months of service to less than 19 years and 11 months of service shall have 100% of all eligible accrued leaves paid out in cash.
 - c. Employees with more than 19 years and 11 months of service to less than 20 years and 6 months of service shall have 100% of all eligible accrued leaves contributed to their Retirement Health Savings Account.
 - d. Employees with more than 20 years and 6 months of service to less than 21 years and 6 months of service shall have 100% of all eligible accrued leaves shall be paid out in cash.
 - e. Employees with more than 21 years and 6 months of service to under 25 years of service shall have all eligible accrued sick leave contributed to RHSA, and all other eligible accrued leaves shall be in cash.
 - f. Employees with more than 25 years of service to less than 26 years and 10 months of service shall have 100% of all eligible accrued leaves contributed to their Retirement Health Savings Account.

Resolution No. 1 (2026)

San Mateo City Employees' Association Side Letter of Agreement Regarding Retirement Health Savings Account – Approval

- g. Employees with more than 26 years and 10 months of service to less than 30 years of service shall have 100% of all eligible accrued leaves paid out in cash.
- h. Employees with more than 30 years of service shall have 100% of all eligible accrued leaves contributed to their Retirement Health Savings Account.

3. The recommended changes for the MOU do not have a quantifiable fiscal impact.

RESOLUTION NO. 1 (2026) adopted by the City Council of the City of San Mateo, California, at a regular meeting held on January 12, 2026, by the following vote of the City Council:

AYES: Council Members Loraine, Fernandez, Cwirko-Godycki, Diaz Nash, and Newsom
NOES: None
ABSENT: None

ATTEST:



Martin McTaggart, City Clerk



Adam Loraine, Mayor

Side Letter of Agreement

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

The Memorandum of Understanding (MOU between the San Mateo City Employees Association (hereafter "Association") and the City of San Mateo (hereafter "City") is set to expire as of 11:59pm, June 19, 2027.

MOU Section 24.11, Retirement Health Savings Account, states that the Association may elect to change the conversion of separation pay arrangement for each successive calendar year of the Agreement.

The Association has elected to change the conversion of separation pay arrangement for calendar year 2026.

All employee service or disability retirements occurring between January 1, 2026 and December 31, 2026 shall be handled in the following manner:

<u>Years of Merit Service</u>	<u>Contribution Elections</u>
Less than 11 years and 3 months of service	All eligible accrued sick leave shall be contributed to RHSA, and all other eligible accrued leaves shall be in cash
More than 11 years and 3 months of service to less than 19 years and 11 months of service	100% of all eligible accrued leaves shall be paid out in cash
More than 19 years and 11 months of service to less than 20 years and 6 months of service	100% of all eligible accrued leaves shall be contributed to your Retirement Health Savings Account
More than 20 years and 6 months of service to less than 21 years and 6 months of service	100% of all eligible accrued leaves shall be paid out in cash
More than 21 years and 6 months of service to under 25 years of service	All eligible accrued sick leave shall be contributed to RHSA, and all other eligible accrued leaves shall be in cash
More than 25 years of service to less than 26 years and 10 months of service	100% of all eligible accrued leaves shall be contributed to your Retirement Health Savings Account
More than 26 years and 10 months of service to less than 30 years of service	100% of all eligible accrued leaves shall be paid out in cash
More than 30 years of service	100% of all eligible accrued leaves shall be contributed to your Retirement Health Savings Account

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

SM City Employees' Association

City of San Mateo

Mauricio Gonzalez

Rico Gonzalez
President SMCEA

Aracelia Esparza

Aracelia Esparza
Human Resources Director