File No. 120555 Committee Item No. 30
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Government Audit and Oversight **Date** June 14, 2012

Board of Supervisors Meeting **Date** _____

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Completed by: Alisa Miller **Date** June 8, 2012
Completed by: _____ **Date** _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

[Memorandum of Agreement (Redevelopment Agency of City and County of San Francisco) - Second Amendment - International Federation of Professional and Technical Engineers, Local 21, AFL-CIO (Engineers and Architects Unit)]

Ordinance adopting and implementing Amendment #2 to the 2009-2011 Memorandum of Agreement between the Redevelopment Agency of the City and County of San Francisco and the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO (Engineers and Architects Unit), by extending the term of the Agreement through June 30, 2012, and by implementing specified terms and conditions of employment for FY2011-2012; the Amendment is entered between the City and County of San Francisco, as successor to the Redevelopment Agency of the City and County of San Francisco pursuant to Board of Supervisors Resolution No. 11-12, and the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO (Engineers and Architects Unit).

NOTE: Additions are *single-underline italics Times New Roman*; deletions are ~~*strike-through italics Times New Roman*~~. Board amendment additions are double-underlined; Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. On February 1, 2012, pursuant to Board of Supervisors Resolution 11-12 [Transfer of Assets, Obligations, and Functions to the City as Successor Agency for the Redevelopment Agency As Required By State Law] the City and County of San Francisco ("City") became the successor agency to the Redevelopment Agency of the City and County of San Francisco ("Successor Agency"). The Board of Supervisors hereby adopts and implements, on behalf of the City as the Successor Agency, Amendment #2 amending the 2009-2011 Memorandum of Agreement between the Redevelopment Agency of the City and County of San Francisco and International Federation of Professional and Technical

Engineers, Local 21, AFL-CIO (Engineers and Architects Unit) by extending the term of the Agreement through June 30, 2012, and by implementing specified terms and conditions of employment for 2011-2012.

Amendment #2 to the Memorandum of Agreement so implemented is on file in the office of the Board of Supervisors in Board File No. 120555.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
ELIZABETH S. SALVESON
Chief Labor Attorney

IFPTE, Local 21
(Redevelopment)

IFPTE (Redevelopment) BARGAINING HIGHLIGHTS

Term – Extension through June 30, 2012.

Wages –

- Effective July 1, 2012, base wages for former Redevelopment employees designated with "R" classifications will be the same as base wages in their respective matching classifications per Attachment C. The parties agree to continue discussions over the tentative findings in Attachment C; however, the Human Resources Director shall have final determination of classification matches.

- In the event that the base rate of pay of the City's matching classification is lower by a minimum of 10% of the former "R" classification, the City shall make a one time lump sum payment to the affected employee equal to 10% of the annual base rate of the matching City classification.

Rescission of Layoffs –

- The parties agree that the City will rescind layoff notices to former Redevelopment employees as indicated in Attachment F on March 30, 2012, that all rescission notices dated March 29, 2012 will be voided, and the voiding of the March 29, 2012 rescission notices will not trigger a new layoff notice period.

- The City agrees to provide severance payments equivalent to the value of 7.67 additional weeks of pay to all former Redevelopment employees who are laid off from "R" classifications on or before March 31, 2012. This shall also apply to any former Redevelopment employee who received a layoff notice from an "R" classification and retires on or before March 31, 2012. Any former Redevelopment employee who receives a severance payment under this section and subsequently accepts an offer of employment with the City and County of San Francisco within 7.67 weeks of layoff shall reimburse the severance payment to the City on a pro-rata basis.

- The City agrees to provide severance pay equivalent to the value of 13 additional weeks of pay to individual former Redevelopment employees listed in Attachment D.

- The parties agree to suspend all layoff provisions in order to retain former Redevelopment employees based on work assignments.

IFPTE, Local 21 (Redevelopment)

CalPERS –

- The City agrees to extend participation in the California Public Employees' Retirement System through January 31, 2014.

PEMHCA –

- The City shall, with CalPERS approval, approve the extension of the existing Public Employee Medical and Hospital Care Act (PEMHCA) contract until January 31, 2014 for individual former Redevelopment employees identified in Exhibit A, if the individual remains employed in the "R" classification.

EPMC –

- Effective close of business June 30, 2012, the Employer Paid Member Contribution (EPMC) shall be discontinued.

Successor Agreement –

- The parties agree to continue negotiations over the terms and conditions of a successor agreement through January 31, 2014.

SECOND AMENDMENT TO MEMORANDUM OF AGREEMENT
2009-2011
REDEVELOPMENT AGENCY
OF THE
CITY AND COUNTY OF SAN FRANCISCO
AND
INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS
LOCAL 21, AFL-CIO
(Engineers & Architects Unit)

This SECOND AMENDMENT TO MEMORANDUM OF AGREEMENT ("Second Amendment") is made and entered into as of March 29, 2012 by and between the CITY AND COUNTY of SAN FRANCISCO, in its capacity as successor agency to the Redevelopment Agency of the City and County of San Francisco, and INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS, LOCAL 21 ("Union") on behalf of the Engineers and Architects Bargaining Unit.

RECITALS

A. The Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic ("Agency") and Union entered into a two-year Memorandum of Agreement for the period of September 5, 2009 through June 30, 2011 ("Agreement"). The Agreement is attached hereto as ATTACHMENT A.

B. The Agency and Union agreed to extend the Agreement until March 31, 2012, with certain amendments as described in ATTACHMENT B – First Amendment to MOA 2009-2011 between the Redevelopment Agency of the City & County of San Francisco and the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO (Management/ Supervisory Unit).

C. On June 28, 2011, AB 26 which called for the elimination of redevelopment agencies throughout the state of California was approved by the Governor and upheld by the California Supreme Court on December 29, 2011. As a result, effective February 1, 2012, the Agency was dissolved and the City and County of San Francisco ("City") became the successor agency to the Agency ("Successor Agency").

D. Pursuant to AB 26, under Section 34190(e) of the California Health and Safety Code, the City, as Successor Agency, became "the employer of all employees of the [Agency] as of the date of the [Agency's] dissolution." In addition, the City, as Successor Agency, was deemed to have assumed the obligations under the Agreement and the First Amendment thereto.

E. As of February 1, 2012, the appointment status of former Redevelopment employees who became employees of the City, as Successor Agency, by operation of AB 26 is designated by "R" classifications.

F. The City, as Successor Agency, and Union have agreed to extend the terms of the Agreement until June 30, 2012, with certain amendments, as described below.

G. The City and Union have agreed to continue negotiations over the terms and conditions of a successor agreement and in the event they cannot agree on terms and conditions of the successor agreement, the impasse procedures contained in AB 646 shall apply; provided that, as of January 1, 2013 and thereafter, the negotiation of successor agreements, if not yet in place as of the previous year, are subject to the impasse procedures contained in City Charter Section A8.409-4, as applicable.

H. The City, as Successor Agency, and Union have agreed that the term of the next successor agreement will be from July 1, 2012 through January 31, 2014.

NOW, THEREFORE, the parties agree as follows:

1. **Amendment of Section 1 of Article 1.** Section 1 of Article I of the Agreement is amended to read in its entirety as follows:

   This Agreement is effective from September 5, 2009, and shall remain in full force and effect until ~~March 31, 2012~~**June 30, 2012**~~, except as provided for in Section 1.A of Article II, which shall remain in effect until April 13, 2012~~.

2. **Amendment of Section 1.A. of Article II.** Section 1.A. of Article II of the Agreement is amended to read in its entirety as follows:

   Section 1. Salaries

   The Agency is committed to ensuring that the classifications and salaries of Agency employees are comparable to classifications and salaries of employees of the City and County of San Francisco (CCSF). In order to implement this policy, the Agency may from time to time conduct a comparability study to determine the appropriate Agency classifications, qualifications and salaries that are comparable to City classifications, qualifications and salaries.

   The Agency will study all management/supervisory classifications to determine their comparability to the City's classification under its Management Classification and Compensation Plan (MCCP) and to use the pending contract with Mercer, Inc. and possibly the resources of the City's Department of Human Resource to recommend appropriate City or other benchmarks for the Agency's management/ supervisory positions. The Agency shall complete a total classification and compensation study, as set forth in the 2009 Mercer contract, before full contract negotiations can begin. However, upon mutual agreement, the parties can enter into negotiations before then.

A. Rates of Pay

1. Effective July 1, 2009, salaries for classifications included in the bargaining unit are as indicated in Appendix "A" **of the Agreement.**

2. Wages effective as of September 5, 2009 shall be temporarily reduced by 1.82 percent, which represents an adjustment equivalent to the value of four days of unpaid personal time off over 22 pay periods. This wage adjustment will sunset at the close of business July 9, 2010.

3. ~~Wages effective as of July 10, 2010 shall be temporarily reduced by 1.54~~ percent which represents an equivalent adjustment to the value of four days of unpaid personal time off over 26 pay periods. This wage adjustment will sunset at the close of business July 8, 2011.

4. Wages effective as of July 9, 2011 shall be temporarily reduced by 3.00 percent, which represents an adjustment equivalent to the value of six (6) days of unpaid personal time off over twenty (20) pay periods. ~~This wage adjustment shall sunset at the close of business April 13, 2012.~~

5. **Effective July 1, 2012 base wages for all "R" classifications will be the same as base wages for their respective matching classifications as indicated in ATTACHMENT C – Redevelopment Agency and CCSF Class Comparison – Tentative Findings.**

6. **In the event that the base rate of pay of the City's matching classification is lower by a minimum of 10% of the former "R" classification, then the City, as Successor Agency, shall make a one time lump sum payment to the affected employee equal to 10% of the annual base rate of the matching City classification.**

7. **The parties agree to continue discussions over the tentative findings contained in ATTACHMENT C – Redevelopment Agency and CCSF Class Comparison – Tentative Findings; however, the City's Human Resources Director shall have final authority for determination of classification matches pursuant to Section 1.A.5-6.**

3. **Amendment to Section 3.E. of Article II.** Section 3.E. of Article II of the Agreement is amended to read in its entirety as follows:

Membership in the California Public Employees' Retirement System ("PERS") is required by Agency contract for permanent, biweekly salaried employees. The Agency's current formula is 2% @ 55 full and modified formula for employees. All member benefits shall be in compliance with terms of the Agency's contract with the System and with State Legislation. **The City, as Successor Agency, agrees to extend participation**

for represented employees in the California Public Employees' Retirement System (PERS) Retirement through January 31, 2014.

During the term of this Agreement, the Agency shall pay its contribution to the Retirement System's general fund and pay the full 7% employee retirement contribution. **Effective close of business June 30, 2012, the Employer Paid Member Contribution ("EPMC") shall be discontinued.**

For employees who retire prior to July 1, 2012 and whose final compensation for retirement purposes is impacted by the wage reduction described in Article II., Section 1.A. of this Agreement, the Agency will provide, to the extent permitted by CalPERS, restoration pay in a lump sum equivalent to the pensionable value of the wage reduction associated with the furlough days for the period used by the retirement system to determine the employee's final compensation for retirement purposes.

4. **Amendment to Section 3.G. of Article II.** Section 3.G. of Article II of the Agreement shall read in its entirety as follows:

Through the term of this Agreement, the Agency agrees to provide health benefit coverage at a level comparable to that provided State employees through the Public Employees Medical and Hospital Care Act. The Agency's contribution towards the health benefits coverage shall be at the level established by Section 22825.1 of the Public Employees' Retirement law. Effective January 1, 2006, these monthly contribution rates are as much as follows:

Employee only	$493.00
Employee plus one	$936.00
Employee plus two or more	$1,202.00

If the contribution formula provided in Section 22825.1 is changed or deleted, this Section of the Agreement shall be reopened for negotiation of the Agency's contribution towards the health benefits coverage.

Should the Agency or any successor organization take an action which would terminate PERS Health benefits coverage for its retirees and dependents, a resolution to continue participation as a Special District in the PERS Health benefits program shall be considered by the Agency's governing board prior to such terminating action taking effect. Prior notice shall be given to all retirees then enrolled in the PERS Health benefits coverage of the governing board's consideration of said resolution.

Effective July 1, 2012, the City, as Successor Agency, shall, with CalPERS' approval, approve the extension of the existing Public Employee Medical and Health Care Act ("PEMHCA") contract until January 31, 2014, for individual former Agency employees identified in ATTACHMENT G, if the individual remains employed in the "R" classification.

5. **Addition of new subsection 7 to Section 5.C. of Article II.** Section 5.C. of Article II of the Agreement is amended to read in its entirety as follows:

7. **The following provisions shall apply only to employees who received a layoff notice for March 31, 2012:**

a. **The Union and the City, as Successor Agency, agree that the City will rescind layoff notices to former Agency employees as indicated in ATTACHMENT F – Proposed Work and Local 21 Positions on March 30, 2012, that all rescission notices dated March 29, 2012 will be voided, and the voiding of the March 29, 2012 rescission notices will not trigger a new layoff notice period.**

b. **The Union agrees to suspend all existing layoff and seniority provisions in order to retain former Agency employees based on work assignment per Section 5.C.7.a.**

c. **The Union agrees to withdraw its appeal pending before the Civil Service Commission.**

6. **Addition of new subsection 1 to Section 5.D. of Article II.** Section 5.D of Article II of the Agreement is amended to read in its entirety as follows:

1. The following provisions shall apply only to employees who received a layoff notice for March 31, 2012:

a. **The City, as Successor Agency, agrees to provide severance payments equivalent to the value of 7.67 additional weeks of pay to all former Agency employees who are laid off from "R" classifications on or before March 31, 2012. This shall also apply to any former Agency employee who received a layoff notice from an "R" classification and retires on or before March 31, 2012. Rescissions of layoff notices issued in accordance with this Amendment shall be issued on Friday, March 30, 2012 by close of business. Individuals receiving notice of rescission must notify the City, as Successor Agency, of their election to decline continued employment with the City, as Successor Agency, within two (2) business days of the rescission in order to be eligible for the 7.67 weeks' worth of severance pay; further, individuals electing to decline continued employment with the City, as Successor Agency, are not**

eligible for placement on a priority eligible list or promotive points as provided for in Section 5.D.1.d and Section 5.D.1.e. In the event an individual elects to decline continued employment, with the City, as Successor Agency, the City may, at its option, fill or not fill the vacancy in any manner that it so chooses. Any former Agency employee who receives a severance payment under this section and subsequently accepts an offer of employment with the City and County of San Francisco, including but not limited to employment with the City as Successor Agency, within 7.67 weeks of layoff shall reimburse the severance payment to the City on a pro-rata basis.

b. The City, as Successor Agency, agrees to provide severance payments equivalent to the value of 13 additional weeks of pay to the individuals listed in ATTACHMENT D.

c. The City, as Successor Agency, agrees to make available its Job Transition Services Program to all former Agency employees whose layoff notices are not rescinded.

d. Effective upon adoption of this Second Amendment through January 31, 2014, the City, as Successor Agency, agrees to submit, and advocate for, proposed Civil Service Rule 112.1.4 to the Civil Service Commission for consideration ATTACHMENT E – Proposed Rule 112.1.4. The Rule would create a "priority list" for all employees in RDA classifications who are not retained per ATTACHMENT F – Proposed Work and Local 21 Positions.

e. Effective upon adoption of this Second Amendment through January 31, 2014, the City, as Successor Agency, agrees to submit to the Civil Service Commission, and advocate for, a civil service rule providing for promotive points equal to those offered to current City employees for former Agency employees who choose to participate in civil service exams.

7. **Effective Date of Second Amendment.**

This Second Amendment will be effective as of April 1, 2012.

Except as expressly amended by this Second Amendment, the Memorandum of Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this _____ day of _____, 2012.

CITY & COUNTY OF SAN FRANCISCO, as Successor Agency to the Redevelopment Agency of the City and County of San Francisco

_____
MICKI CALLAHAN
Human Resources Director

_____
MARTIN R. GRAN
Employee Relations Director

_____
CAROL M. ISEN
Chief Negotiator

INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS, LOCAL 21

_____
ALEXANDER TONISSON
Field Representative

APPROVED AS TO FORM
DENNIS J. HERRERA, CITY ATTORNEY

Elizabeth Salveson 5/21/12
ELIZABETH SALVESON
Chief Labor Attorney

ATTACHMENT A

MEMORANDUM OF AGREEMENT

2009-2011

REDEVELOPMENT AGENCY
OF THE
CITY AND COUNTY OF SAN FRANCISCO

And

INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS LOCAL 21

AFL-CIO

(Engineers & Architects Unit)

** Complete copy of document is located in

File No. 120555

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