File No. 120500 Committee Item No. 7
Board Item No. 3

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date June 14, 2012

Board of Supervisors Meeting Date 6/26/12

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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.

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

GOVERNMENT AUDIT AND OVERSIGHT COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Mark Farrell, Chair
Government Audit and Oversight Committee

FROM: Rana Calonsag, Committee Clerk

DATE: June 15, 2012

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, June 19, 2012

The following file should be presented as a **COMMITTEE REPORT** at the Board meeting, Tuesday, June 19, 2012. This item was acted upon at the Committee Meeting on June 14, 2012 at 1:00 p.m., by the votes indicated.

Item No. 7 **File No. 120500**

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21, to be effective July 1, 2012, through June 30, 2014.

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Mark Farrell - Aye
Supervisor Sean Elsbernd - Aye
Supervisor David Chiu - Aye

cc: Board of Supervisors
Angela Calvillo, Clerk of the Board
Rick Caldeira, Legislative Deputy Director
Cheryl Adams, Deputy City Attorney
Binder Copy

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

June 14, 2012

Ms. Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 120500: Memorandum of Understanding (MOU) with the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO

Dear Ms. Calvillo,

In accordance with Ordinance 92-94, I am submitting a cost analysis of the MOU between the City and County of San Francisco and the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO. The amendment applies to the period commencing July 01, 2012 through June 30, 2014, affecting 4,631 authorized positions with a salary base of approximately $368.1 million and an overall pay and benefits base of approximately $464.1 million.

As seen in Attachment A, our analysis projects that this agreement will result in approximately $46,000 of increased costs to the City during FY 2012-13 and $6,724,000 of increased costs in FY 2013-14. Our analysis assumes a scenario where premiums, overtime, step, and attrition grow consistent with wage changes.

If you have additional questions or concerns please contact me at 554-7500 or Drew Murrell of my staff at 554-7647.

Sincerely,

Ben Rosenfield
Controller

cc: Martin Gran, ERD
Harvey Rose, Budget Analyst

415-554-7500 City Hall • 1 Dr. Carlton B. Goodlett Place • Room 316 • San Francisco CA 94102-4694 FAX 415-554-7466

Attachment A

Memorandum of Understanding from July 1, 2012 - June 30, 2014

International Federation of Professional and Technical Engineers, Local 21, AFL-CIO

Controller's Office Estimate of Costs/(Savings) FY 2012-2014

Annual Costs/(Savings)	FY 2012-2013	FY 2013-2014
Wages		
Effective July 1, full-time employees entering at the first step may advance to the second step and to each successive step upon completion of one year required service.	$ (56,000)	$ (168,000)
1% Wage increases effective July 1, 2013, January 4, 2014, and March 29, 2014 for all employees.	$ -	$ 5,928,000
Wage-Related Fringe Increases/(Decreases)	$ (16,000)	$ 1,643,000
Premium Increase/(Decreases)	$ 118,000	$ 118,000
Benefits		
For "Medically Single" employees, the City will pay 90% of the cost of the medical premium capped at 90% of the cost of the second highest cost plan, effective January 1, 2014.	$ -	$ (797,000)
Annual Amount Increase/(Decrease)	$ 46,000	$ 6,724,000

Controller's Ofice Summary of 2012 - 2014 Labor Agreements Costing
6/14/2012

Citywide Patterns

1) **Wage Increases:** Three 1 % wage increases in FY 2013-14, projected to result in a 1.75% wage and variable fringe cost increase during FY 2013-14

2) **Step Savings:** Effective July 1, 2012 postpone advancement form Step 1 to Step 2 until the completion of 12 months of service rathern than 6 months

3) **Health Contributions:** Effective January 2014, For "Medically Single" employees, the City will pay 90% of the cost of the medical premium capped at 90% of the cost of the second highest cost plan.

	FY 2012-13 Total	FY 2013-14 Total
Costs/(Savings)	$ 3,489,000	$ 37,571,000

		FY 2012-13			FY 2013-14		
Table	**Table Name**	**Wages & Premium**	**Variable Fringe**	**Health & Dental**	**Wages & Premium**	**Variable Fringe**	**Health & Dental**
000	Consolidated Crafts	$ 30,000	$ -	$ -	$ 844,000	$ 229,000	$ (94,000)
001	Unrepresented Employees	$ 14,000	$ 3,000	$ (15,000)			
003	Operating Engineers, Local 3	$ -	$ -	$ -	$ 76,000	$ 21,000	$ (5,000)
006	Electrical Workers, Local 6	$ 492,000	$ 108,000	$ (17,000)	$ 981,000	$ 255,000	$ (81,000)
021	Local 21	$ 62,000	$ (16,000)	$ -	$ 5,878,000	$ 1,643,000	$ (797,000)
038	Plumbing and Pipefitting Industry	$ 16,000	$ -	$ -	$ 518,000	$ 136,000	$ (40,000)
039	Stationary Engineers	$ -	$ -	$ (35,000)	$ 1,000,000	$ 265,000	$ (168,000)
121	Service Employees International Union	$ 6,048,000	$ (39,000)	$ (6,051,000)	$ 12,390,000	$ 1,981,000	$ -
130	Machinists Union	$ 12,000	$ -	$ (9,000)	$ 209,000	$ 55,000	$ (33,000)
163*	Physicians and Dentists	$ 2,514,000	$ 486,000	$ -	$ 2,663,000	$ 589,000	$ (151,000)
200	TWU Local 200	$ -	$ -	$ -	$ 28,000	$ 8,000	$ (1,000)
251	TWU Local 250-A, TWU - Miscellaneous	$ 7,000	$ -	$ -	$ 137,000	$ 38,000	$ (23,000)
252	TWU Local 250-A, TWU - Auto Service Worker	$ (9,000)	$ -	$ -	$ 33,000	$ 12,000	$ (6,000)
261	Laborers	$ (69,000)	$ 144,000	$ (47,000)	$ 953,000	$ 444,000	$ (299,000)
311	Municipal Attorneys	$ (2,000)	$ (1,000)	$ -	$ 1,065,000	$ 286,000	$ (102,000)
351	Municipal Executives Association	$ -	$ -	$ (79,000)	$ 2,019,000	$ 541,000	$ (323,000)
419	DA Investigators	$ -	$ -	$ (2,000)	$ 61,000	$ 13,000	$ (12,000)
498	SF Deputy Sheriff's Association	$ 5,000	$ -	$ (47,000)	$ 1,352,000	$ 268,000	$ (231,000)
499	SF Sheriffs Managers and Supervisors	$ -	$ -	$ (6,000)	$ 325,000	$ 45,000	$ (23,000)
651	SF Probation Officers	$ 873,000	$ (849,000)	$ -	$ 1,105,000	$ (773,000)	$ (22,000)
791	Staff / Per Diem Nurses	$ (54,000)	$ -	$ -	$ 1,481,000	$ 412,000	$ -
856	Teamsters - Multi - Unit	$ 113,000	$ (108,000)	$ -	$ 259,000	$ (78,000)	$ (12,000)
858**	Supervising Nurses	$ 25,000	$ -	$ (5,000)	$ 361,000	$ 85,000	$ (265,000)
965	Supervising Probation Officers	$ -	$ -	$ (3,000)	$ 36,000	$ 7,000	$ (6,000)
969	Institutional Police Officers	$ -	$ -	$ -	$ 7,000	$ 2,000	$ -

* The MOUs with the Physicians and Dentists are split into two groups; one for bargaining unit 17 and one for bargaining unit 18 and run for three years form July 1, 2012 through June 30, 2015

** The MOU with Supervising Nurses is for three years from July 1, 2012 through June 30, 2015

FILE NO. 120500 ORDINANCE NO.

[Memorandum of Understanding - International Federation of Professional and Technical Engineers, AFL-CIO, Local 21]

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21, to be effective July 1, 2012, through June 30, 2014.

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. The Board of Supervisors hereby adopts and implements the Memorandum of Understanding between the City and County of San Francisco and the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21, to be effective July 1, 2012, through June 30, 2014.

The Memorandum of Understanding so implemented is on file in the office of the Board of Supervisors in Board File No. 120500.

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

By: Elizabeth S. Salveson
ELIZABETH S. SALVESON
Chief Labor Attorney

LOCAL 21 BARGAINING HIGHLIGHTS

Term – Two year term (July 1, 2012 to June 30, 2014).

Wages –

Fiscal Year 2012-2013: No wage increases

Fiscal Year 2013-2014:

- 1% on July 1, 2013
- 1% on January 4, 2014
- 1% on March 29, 2014

Structural Reform of the City's Healthcare Benefit and Cost-Sharing Structures –

- Health care cost sharing effective January 1, 2014:
  - For "medically single employees" (Employee Only) enrolled in any plan other than the highest cost plan, the City shall only contribute ninety percent (90%) of the "medically single employee" (Employee Only) premium for the plan in which the employee is enrolled.
  - For "medically single employees" (Employee Only) enrolled in the highest cost plan, the City shall only contribute ninety percent (90%) of the "medically single employee" (Employee Only) premium for the second highest cost plan. However, in calendar year 2014 only, the City will subsidize half of the amount of this increased premium cost for "medically single employees" who elect to enroll in the highest cost plan.
  - Exception: for "medically single employees" (Employee Only) who are permanently assigned to work in remote locations outside of the health coverage areas of Kaiser and Blue Shield, the City will continue to contribute one hundred percent (100%) of the cost of the Employee-Only premium.
- The parties will form a Joint Labor-Management Healthcare Committee to discuss healthcare issues, including a possible wellness program, with a re-opener in the second year of the contract by mutual agreement

Floating Holidays – Employees will receive a one-time award of two additional floating holidays in Fiscal Year 2012-2013.

Increase in Time to Advance from Step 1 to Step 2 – Employees appointed on or after July 1, 2012 must now complete one year (instead of only six months) of required service before advancing to the second step of the salary range.

Elimination of the Travel Pay Provision – Effective July 1, 2012, employees who are San Francisco residents and who are assigned to work at the Airport, San Bruno Jail, Millbrae, Sharp Park or Sunol, shall no longer receive Travel Pay. Instead, employees who received Travel Pay in Fiscal Year 2011-2012 will receive a one-time lump sum payment equivalent to the amount of Travel Pay they earned in Fiscal Year 2011-2012.

Employee Development Fund – The Employee Development Fund was increased by $250,000 in Fiscal Years 2012-2013 and 2013-2014, funded by the savings achieved from the increase in time required to advance from Step 1 to Step 2, elimination of Travel Pay in the second year of the Agreement, and savings from other premium reforms noted below. Additionally, unspent funds will no longer roll-over, and employees may only be eligible for reimbursements in the same fiscal year in which the cost was incurred, in order to ensure that the fund is not prematurely depleted each year.

Additional Compensation – The new Agreement contains no new equity adjustments and no new premiums, and includes the following premium and additional pay reforms:

- Lead Person Pay – The threshold to qualify for Lead Person Pay has been increased from leading at least *two* other employees to leading at least *three* other employees.
- PUC-CIP Planning Function Pay – The threshold to receive PUC-CIP Planning Function Pay was significantly increased.
- Leadership Pay and Special Skills Pay (Appendix C) – The threshold definition of "Major Capital Projects" that would merit additional compensation for those employees working on such projects in a qualifying capacity was significantly increased. Further, the threshold number of persons to qualify for Leadership Pay was increased from leading *one* other person to leading at least *three* other persons.

Substance Abuse Prevention Program – The parties will establish a mutually agreed-upon substance abuse prevention program, to be implemented by January 1, 2014. If there is no agreement on a new program by May 1, 2013, the arbitrator will resolve any disputes through mandatory arbitration.

Extension of Probationary Period – Probationary periods may be extended for periods of up to one year, provided that the City notifies the Union at the time that it seeks to extend an employee's probationary period.

Sick Leave Cap – Effective July 1, 2012, employees may not accumulate more than 1040 hours of sick leave.

Grievance Procedure – The parties established a uniform arbitrator selection process, and streamlined the grievance procedures (including response time deadlines for both parties and elimination of a superfluous review step) in order to expedite the resolution of disputed terminations and suspensions.

AGREEMENT

Between and For

THE CITY AND COUNTY OF SAN FRANCISCO

And

THE INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS, LOCAL 21, AFL-CIO

FOR FISCAL YEARS

2012-2013 and 2013-2014

** Complete copy of document is located in

File No. 120500

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