File No. 120508 Committee Item No. 15
Board Item No. 11

# COMMITTEE/BOARD OF SUPERVISORS

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Committee: Government Audit and Oversight Date June 14, 2012

Board of Supervisors Meeting Date 6/26/12

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OTHER (Use back side if additional space is needed)

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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

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# 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. 15** **File No. 120508**

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and the Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO 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

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. 120508 ORDINANCE NO.

[Memorandum of Understanding - Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO]

**Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and the Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO to be effective July 1, 2012, though 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 Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO 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. 120508.

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

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

## OPERATING ENGINEERS, LOCAL 3 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.

**Elimination of Travel Pay Provision:** Effective July 1, 2012, the City will no longer provide travel pay to employees who are San Francisco residents assigned to work at the Airport, Millbrae, Sharp Park or Sunol. 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.

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**Elimination of Free Parking Guarantee on MTA Properties:**. Effective July 1, 2003, employees will be required to pay for their own parking on MTA properties.

**Lead Person Pay:** The threshold to qualify for Lead Person Pay is increased, now requiring performance of Foreperson for the day activities, including leading a crew of two or more and performing various set-up tasks such as planning and sketching the work. Additionally, the assignment must be made in writing by the supervisor.

**Construction Maintenance & Job Order Contracts:** The City is required to provide the Union and the Building and Construction Trades Council with twenty days' notice prior to issuing a task order or job order, and will participate in an informational meeting if requested by the Union.

MEMORANDUM OF UNDERSTANDING

BETWEEN AND FOR

THE CITY AND COUNTY OF SAN FRANCISCO

AND

OPERATING ENGINEERS LOCAL UNION NO. 3

OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS, AFL-CIO

JULY 1, 2012 - JUNE 30, 2014

** Complete copy of document is located in

File No. 120508

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