File No. 120521

Committee Item No. 28
Board Item No. 39

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

Cmte	Board	
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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

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. 28 File No. 120521

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and the Municipal Executives' Association, to be effective July 1, 2012, through June 30, 2012.

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Mark Farrell - Aye
Supervisor Sean Elsbernd - **Recused**
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 120521: Amendment to the Memorandum of Understanding (MOU) with the Municipal Executives Association

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 Municipal Executives Association (MEA).The amendment applies to the period commencing July 1, 2012 through June 30, 2014, affecting 943 authorized positions with a salary base of approximately $125.1 million and an overall pay and benefits base of approximately $155.5 million.

As seen in Attachment A, our analysis projects that this amendment will result in savings of $79,000 to the City during FY 2012-13 and costs of $2.4 million 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

Municipal Executives Association

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

Annual Costs/(Savings)	FY 2012-2013	FY 2013-2014
Wages		
1% Wage increases effective July 1, 2013, January 4, 2014, and March 29, 2014 for all employees	$ -	$ 2,019,000
Wage-Related Fringe Increases/(Decreases)	$ -	$ 541,000
Benefits		
Effective July 1, 2012 The City shall contribute $726.04 per month for Employee Only, and 75% of the dependent rate charged to employees for Kaiser coverage at the two or more dependent level for Employees with one or more dependents	$ (79,000)	$ (323,000)
Annual Amount Increase/(Decrease)	$ (79,000)	$ 2,237,000

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. 120521 ORDINANCE NO.

[Memorandum of Understanding - Municipal Executives' Association]

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and the Municipal Executives' Association, 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 Municipal Executives' Association, 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. 120521.

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

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

DEPARTMENT OF HUMAN RESOURCES
EMPLOYEE RELATIONS

CCSF NEGOTIATIONS 2012

Municipal Executives Association

MEA 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 MEA's Management Flex Spending Compensation Package – Beginning 7/1/12, the flexible spending compensation provided to employees will be based upon their enrollment status with HSS. Unenrolled employees, or employees enrolled in Employee Only coverage will freeze their flexible compensation at $726.04 per month (the Fall 2012 rate) until December 31, 2014. Thereafter, unenrolled employees or employees enrolled in Employee Only coverage will receive 65% of the Employee plus 2 or more dependent care index. The parties agreed to engage in meet and confer on further reform to the Flex Spending Compensation Plan beginning six months prior to the next bargaining season.

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

CalPERS Proposition C Contribution – Effective July 1, 2012, covered employees who are members of CalPERS agree to make pre-tax contributions similar to those being made by members of SFERS, as required under Charter sections A8.409-9 and A8.590-9.

Management Training Funds – The parties expanded employees' ability to use the funds for approved travel associated with training, and ended the practice of rolling over unused funds from year to year. DHR will develop and fund a Leadership Development Program including required training for all managers in important managerial skills such as strategic planning, fiscal management, communication, knowledge transfer, etc. The parties' goal is to offer the first elements of the program by January 1, 2013.

Additional Compensation –

- Government and Public Affairs Managers assigned to PORT – This premium has been eliminated.

- Local Agency Formation Commission – This premium will expire once the current incumbent who is entitled to the premium separates from the position.

Reform of the Management Compensation/Classification Plan adjustment process – The parties agreed to liquidate the remaining B & C adjustment one-time funds, which were previously deferred from wage increases. Going forward, there will be .5% of MEA compensation available for distribution through the B & C committee process each year, with no rollover of remaining funds. One half of the annual allocation will be available for one-time adjustments, and one half will be available for ongoing adjustments to recognize exemplary performance, special skills or assignments, or to address of internal equity or compaction. A proportionate pool of these funds will be separated out for Department Heads

Severance and Pay in Lieu of Notice – An employee receiving severance pay will no longer be eligible to take a Prop F appointment in the department from which he or she was released within two years of the release. The parties incorporated into the MOU their agreement to provide a released employee, who reinstates to a lower-paid position, notice pay in the amount of the difference between the higher and lower-paid positions. The City will provide MEA with a template severance release to attempt to expedite the severance process. A qualifying employee must elect severance within thirty days of notice of release.

Discipline Procedures – The parties created an expedited arbitration process for appeals of certain types of discipline, and agreed that permanent civil service employees will be able to appeal disciplinary suspensions of less than five days. Further, the employee may submit a response to disciplinary actions which will be kept in his or her personnel file.

Pay for Performance – The Pay for Performance program expires at the end of the 2006-2012 agreement. The payment, normally made in October, is only maintained for those employees who retire prior to July 1, 2012 and whose single highest year of compensation is 2011-2012 when the Pay for Performance lump sum is factored in.

Performance Appraisals – Employees may submit a response to his or her performance appraisal within 30 days, to be maintained in his or her personnel file.

Acting Assignment Pay – Acting Assignments may only last six months, with extension upon approval of DHR.

State Disability Insurance – All employees entering the MEA bargaining unit on or after 7/1/12 will be enrolled in SDI.

** Complete copy of document is located in

File No. 120521

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY AND COUNTY OF SAN FRANCISCO

AND

THE MUNICIPAL EXECUTIVES ASSOCIATION

JULY 1, 2012 – JUNE 30, 2014

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