File No. 120515

Committee Item No. 22
Board Item No. 18

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. 22 **File No. 120515**

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and the Laborers International Union, Local 261, 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 120515: Amendment to the Memorandum of Understanding (MOU) with Laborers International Union, Local 261

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 Laborers International Union, Local 261 (Laborers). The amendment applies to the period commencing July 1, 2012 through June 30, 2014, affecting 1,009 authorized positions with a salary base of approximately $62.4 million and an overall pay and benefits base of approximately $79.1 million.

As seen in Attachment A, our analysis projects that this amendment will result in costs of $28,000 to the City during FY 2012-13 and $1.1 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

Attachment A

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

Laborers International Union, Local 261

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

Annual Costs/(Savings)	FY 2012-2013	FY 2013-2014
Wages		
Effective July 1, 2012, the Public Outreach/Public Safety Cross Training Premium in the amount of 1% will be built into the base rate of all covered employees.	$ 592,000	$ 595,000
1% Wage increases effective July 1, 2013, January 4, 2014, and March 29, 2014 for all employees	$ -	$ 1,047,000
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 the one year required service.	$ (6,000)	$ (27,000)
Wage-Related Fringe Increases/(Decreases)	$ 144,000	$ 444,000
Premium Increase/(Decreases)	$ (655,000)	$ (662,000)
Benefits		
Increased premiums ranging from $5 to $15 per month for employees enrolled in the Delta Dental PPO effective January 1, 2013.	$ (47,000)	$ (95,000)
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.	$ -	$ (204,000)
Annual Amount Increase/(Decrease)	$ 28,000	$ 1,098,000

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)	$ -	$ 5,876,000	$ 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. 120515 ORDINANCE NO.

[Memorandum of Understanding - Laborers, Local 261]

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and the Laborers International Union, Local 261, 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 Laborers International Union, Local 261, 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. 120515.

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

By: ELIZABETH S. SALVESON
Chief Labor Attorney

LABORERS, LOCAL 261 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

Dental - Beginning January 1, 2013, the bargaining unit agrees to pay $5 (individual) - $10 (employee +1) - $15 (employee + 2 or more) per month respectively towards dental premium costs.

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 (increased from 6 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 Sunol, will 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.

Work Schedule Change Provision- Departments can change schedules of all covered employees based on operational need with 5 calendar days' notice and with written approval of the appointing officer.

Lead Worker Pay – Lead Worker Pay assignments must be made in writing.

Standby Pay – Eliminate 25% standby pay. Employees earn 10% standby pay when provided with a cell phone or other electronic communication device.

Substance Abuse Policy- The parties will meet and confer regarding the possibility of a drug testing policy that will be limited to instances of reasonable suspicion of drug and/or alcohol use, to be implemented no later than January 1, 2013. Should the parties fail to reach agreement on a new substance abuse testing program by December 1, 2013, Arbitrator Chris Burdick shall retain jurisdiction to resolve any such dispute under Charter Section A8.409-4(d).

Public Outreach/Public Safety Cross Training Premium – The City will fold the 1% premium received by all covered employees into the base rate.

MEMORANDUM OF UNDERSTANDING

~~Between and For~~

THE CITY AND COUNTY OF SAN FRANCISCO

And

THE LABORERS INTERNATIONAL UNION, LOCAL 261

JULY 1, 2012- JUNE 30, 2014

** Complete copy of document is
located in

File No. 120575

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