File No. 120636

Committee Item No. 35
Board Item No. 30

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date June 14th 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. 35 **File No. 120636**

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and Service Employees International Union, Local 1021 Staff & Per Diem Nurses, 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 120636: Memorandum of Understanding (MOU) with the Staff and Per Diem Nurses, SEIU Local 1021

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 Staff and Per Diem Nurses, SEIU Local 1021 (Nurses).The amendment applies to the period commencing July 1, 2012 through June 30, 2014, affecting 1,504 authorized positions with a salary base of approximately $218.8 million and an overall pay and benefits base of approximately $275.3 million.

As seen in Attachment A, our analysis projects that this agreement will result in approximately $54,000 of savings to the City during FY 2012-2013 and $1,893,000 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

Attachement A

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

Staff and Per Diem Nurses, SEIU Local 1021

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

Annual Costs/(Savings)	FY 2012-2013	FY 2013-2014
Wages		
3% Wage increase effective March 29, 2014 for all employees	$ -	$ 1,535,000
Wage-Related Fringe Increases/(Decreases)	$ -	$ 412,000
Premium Increase/(Decreases)	$ (54,000)	$ (54,000)
Benefits	$ -	$ -
Annual Amount Increase/(Decrease)	$ (54,000)	$ 1,893,000

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	$ 1,843,000	$ (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. 120636 ORDINANCE NO.

[Memorandum of Understanding - Service Employees International Union, Local 1021 Staff & Per Diem Nurses]

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and Service Employees International Union, Local 1021 Staff & Per Diem Nurses, 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 Service Employees International Union, Local 1021 Staff & Per Diem Nurses, 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. 120636.

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

By: _____
ELIZABETH S. SALVESON
Chief Labor Attorney

SEIU NURSES BARGAINING HIGHLIGHTS

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

Wages –

- 3% increase effective 3/29/14

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

- Resumed Negotiations: the parties to begin renegotiating no later than 6/1/14; if no mutual agreement then the union may elect one of the following three health insurance premium options no later than 8/1/14:

  (a) The Nurse Manager agreement on health benefits reflected in the FREIGHT CHECKERS, CLERICAL EMPLOYEES & HELPERS, Local 856 Supervising Nurses' 2012-2015 MOU filed with the Board of Supervisors on June 4, 2012;

  (b) City Proposal No. 21 - Health Insurance, which was passed to the Union on March 15, 2012; or

  (c) SEIU (Miscellaneous Unit) health benefits contained in the successor agreement to that unit's 2012-2014 MOU or an MOU extension, covering Fiscal Year 2014-15 MOU.

- Union's election of its health insurance premium option becomes effective 1/1/15.

- One union member to be appointed to any citywide labor-management committee established to investigate and make recommendations on health plan design, employee wellness and health insurance cost containment.

Retirement –

- City to continue to pay 2.5% of employee mandatory contribution to SFERS and will pick up an additional .5% for any employee in unit who became a SFERS member prior to November 2, 1976.

- During term of MOU, upon 90 days' notice, the union may elect to make a cost-neutral wage increase (determined by the Controller's Office) in exchange for assuming these payments.

Seniority Increments – Effective 7/1/12:

- Steps 1-2: step progression for steps 1 to 2 now at one year (instead of six months).

Staffing –

- Added an additional step to include mediation process for alleged violations

Double Ward Premium – City eliminated 5% double ward premium.

New Hire Retention Bonus – City limited payment of bonus to those hired between 7/1/07 and 6/30/09.

MEMORANDUM OF UNDERSTANDING

BETWEEN

STAFF AND PER DIEM NURSES, SEIU LOCAL 1021

AND

CITY AND COUNTY OF SAN FRANCISCO

JULY 1, 2012 - JUNE 30, 2014

PER DIEM RELATED PROVISIONS ARE IN ITALICS

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** Complete copy of document is located in

File No. 120636