File No. 120637

Committee Item No. 36
Board Item No. 31

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. 36 **File No. 120637**

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and Freight Checkers, Clerical Employees & Helpers, Local 856, Supervising Registered Nurses, Unit 47, to be effective July 1, 2012, through June 30, 2015.

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 120637: Memorandum of Understanding (MOU) with Freight Checkers, Clerical Employees & Helpers, Local 856 (Supervising Registered Nurses Unit 47.)

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 Freight Checkers, Clerical Employees & Helpers, Local 856 (Supervising Registered Nurses Unit 47). The amendment applies to the period commencing July 1, 2012 through June 30, 2015, affecting 122 authorized positions with a salary base of approximately $22.1 million and an overall pay and benefits base of approximately $27.3 million.

As seen in Attachment A, our analysis projects that this agreement will result in approximately $20,000 of increased costs to the City during FY 2012-2013, $181,000 of increased costs in FY 2013-14; and $268,000 increased costs to the City during FY 2014-15. 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, 2015

Freight Checkers, Clerical Employees & Helpers, Local 856 (Supervising Registered Nurses Unit 47)

Controller's Office Estimate of Costs/(Savings) FY 2012-2015

Annual Costs/(Savings)	FY 2012-2013	FY 2013-2014	FY 2014-2015
Wages			
3% Wage increase effective December 7, 2013 for all employees	$ -	$ 336,000	$ 610,000
Wage-Related Fringe Increases/(Decreases)	$ -	$ 85,000	$ 153,000
Premium Increase/(Decreases)	$ 25,000	$ 25,000	$ 25,000
Benefits			
Increased premiums ranging from $5 to $15 per month for employees enrolled in the Delta Dental PPO effective January 1, 2013.	$ (5,000)	$ (10,000)	$ (10,000)
Increased Employee Share for dependent health costs	$ -	$ (255,000)	$ (510,000)
Annual Amount Increase/(Decrease)	$ 20,000	$ 181,000	$ 268,000

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 rathem 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. 120637 ORDINANCE NO.

[Memorandum of Understanding - Freight Checkers, Clerical Employees & Helpers, Local 856, Supervising Registered Nurses, Unit 47]

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and Freight Checkers, Clerical Employees & Helpers, Local 856, Supervising Registered Nurses, Unit 47, to be effective July 1, 2012, through June 30, 2015.

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 Freight Checkers, Clerical Employees & Helpers, Local 856, Supervising Registered Nurses, Unit 47, to be effective July 1, 2012, through June 30, 2015.

The Memorandum of Understanding so implemented is on file in the office of the Board of Supervisors in Board File No. 120637.

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

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

SUPERVISING NURSES' BARGAINING HIGHLIGHTS

Term – Three year term (July 1, 2012 to June 30, 2015).

Wages – 3% increase effective 12/7/13; base wage reopener for Fiscal Year 2014-15.

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

Employee Only/"Medically Single" Coverage:

- Effective January 1, 2014, for "medically single employees" (Employee Only) enrolled in any plan other than the highest cost plan, the City shall contribute ninety percent (90%) of the "medically single employee" (Employee Only) premium for the plan in which the employee is enrolled; provided, however, that the City's premium contribution will not fall below the lesser of: (a) the "average contribution" as determined by the Health Service Board pursuant to Charter Sections A8.423 and A8.428(b)(2); or (b), if the premium is less than the "average contribution", one hundred percent (100%) of the premium.

- Effective January 1, 2014, for "medically single employees" (Employee Only) who elect to enroll in the highest cost plan, the City shall contribute ninety percent (90%) of the premium for the second highest cost plan.

Dependent Care Coverage:

- Effective January 1, 2014, the City's contributions for dependent coverage shall be as follows:

  - *Employee Plus One:*

    For employees with one dependent who elect to enroll in the lowest cost medical plan, the City shall contribute ninety-five percent (95%) of the total employee plus one premium.

    For employees with one dependent who elect to enroll in the second highest cost medical plan, the City shall contribute ninety percent (90%) of the total employee plus one premium.

    For employees with one dependent who elect to enroll in the highest cost medical plan, the City shall contribute fifty percent (50%) of the dependent coverage portion of the premium, plus the "average contribution" as determined by the Health Service Board pursuant to Charter Sections A8.423 and A8.428(b)(2).

- *Employee Plus Two or More:*

  For employees with two or more dependents who elect to enroll in the lowest cost medical plan, the City shall contribute ninety-five Percent (95%) of the total employee plus two premium.

  For employees with two or more dependents who elect to enroll in the second highest cost medical plan, the City shall contribute ninety percent (90%) of the total employee plus two premium.

  For employees with two or more dependents who elect to enroll in the highest cost medical plan, the City shall contribute fifty percent (50%) of the dependent coverage portion of the premium, plus the "average contribution" as determined by the Health Service Board pursuant to Charter Sections A8.423 and A8.428(b)(2).

- The Union will participate in 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 – Effective 1/1/13, employees who enroll in Delta Dental PPO will pay the following premiums: $5/month for employee-only, $10/month for employee + 1, or $15/month for employee + 2 or more dependents.

Seniority Increments – Effective 7/1/12, employees appointed on or after July 1, 2012 will progress from step 1 to 2 in one year instead of six months.

Longevity Leave – City eliminated longevity leave accrual for two years of continuous service and reduced the leave days accrued after five years of continuous service from two days to one day.

Employee Development Fund – Employees may use up to half of their annual reimbursement fund to pay for up to half of travel and lodging associated with attending training/conferences. Any unused funds at the end of the fiscal year may roll over to the next fiscal year within the term of the 2012-2015 contract.

MEMORANDUM OF UNDERSTANDING

Between and For

THE CITY AND COUNTY OF SAN FRANCISCO

And

FREIGHT CHECKERS, CLERICAL EMPLOYEES & HELPERS,
Local 856
(Supervising Registered Nurses, Unit 47)

For Fiscal Years
July 1, 2012 to June 30, 2015

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