



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

June 16, 2010

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 100626: 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 Amendment (amendment) 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, 2009 through June 30, 2012, affecting 1,071 authorized positions with a salary base of approximately \$59.5 million and an overall pay and benefits base of approximately \$74.4 million. Although not members of the Public Employees Committee of the San Francisco Labor Council (PEC), the Laborers have agreed to the terms outlined in the summary letter.

The amendment extends the term of the contract through FY 2011-2012. Based on our analysis, the amendment will result in a \$3.3 million savings in FY 2010-2011. These savings are a result of the furlough days and wage-based fringe savings resulting from lower wage payments. The Laborers agreed to have employees take furloughs in no less than four hour increments. The same concessions continue in FY2011-12.

The amendment provides that employees who retire during the term of the agreement whose compensation is impacted by the furlough will receive a payment equaling the pensionable value of the unpaid days that impact the retirement benefit. This will result in a cost to the City that will be determined by San Francisco Employees' Retirement System and is dependent on each retiree's circumstances.

Should the PEC and City be unable to find \$3 million in health care savings next year, the PEC health benefits provision applies and could result in \$94,000 in savings in FY2011-12 under this bargaining unit.

The cost of continuing existing health and dental benefits provided in the amendment to the MOU will increase by approximately \$152,000 in FY 2010-2011. If you have additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

Ben Rosenfield
Ben Rosenfield
Controller

cc: Martin Gran, ERD
Harvey Rose, Budget Analyst

Amendment # 1 extending MOU through June 30, 2012
Laborers International Union, Local 261
Estimated Costs/(Savings) FY 2010-2013
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2010-2011</u>	<u>FY 2011-2012</u>
Wages		
July 1, 2010 - June 30, 2011: 12 furlough days	(\$2,746,033)	\$0
July 1, 2011 - June 30, 2012: 12 furlough days		
Wage-Related Fringe Increases/(Decreases)	<u>(\$545,247)</u>	<u>\$0</u>
Benefits		
Cap on City contribution for medically single City Plan employees	-	(\$94,450)
Annual Amount Increase/(Decrease)	<u>(\$3,291,279)</u>	<u>(\$94,450)</u>
Budgeted Estimates for Cost Increase in Existing Benefits	\$152,281	\$156,545