

File No. 100621

Committee Item No. 15

Board Item No. 18

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date June 18, 2010

Board of Supervisors Meeting Date 06/29/10

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OTHER

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Amendment No. 4 to the MOU, Municipal Executives Assoc.</u> |
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Completed by: Alisa Somera Date June 11, 2010

Completed by: Alisa Somera Date June 21, 2010

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

[Memorandum of Understanding, Amendment No. 4 – Municipal Executives' Association]

Ordinance adopting and implementing Amendment No. 4 to the 2006-2011

**Memorandum of Understanding between the City and County of San Francisco and the
Municipal Executives' Association by extending the term of the parties' Agreement
through June 30, 2012, and by implementing specified terms and conditions of
employment for FYs 2010-2011 and 2011-2012.**


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 ~~striketthrough 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 Amendment #4 amending the 2006-2011 Memorandum of Understanding between the City and County of San Francisco and the Municipal Executives' Association by extending the term of the parties' Agreement through June 30, 2012, and by implementing specified terms and conditions of employment for fiscal years 2010-2011 and 2011-2012.

Amendment No. 4 to the Memorandum of Understanding so implemented is on file in the office of the Board of Supervisors in Board File No. 100621.

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

By: 
ELIZABETH S. SALVESON
Chief Labor Attorney

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO
AND
THE MUNICIPAL EXECUTIVES ASSOCIATION

JULY 1, 2006 – JUNE 30, 2012

Revised per Amendment #4

AMENDMENT No. 4
TO THE 2006-2012 MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO
AND
MUNICIPAL EXECUTIVES' ASSOCIATION

The parties hereby amend and extend the Memorandum of Understanding as follows:

As in the parties' previous extension, it is understood and agreed that unless otherwise provided herein, all other provisions of the Agreement or appendices thereto shall be extended for the term of the Agreement as amended by this MOU.

II.D. Workforce Reduction

66. ~~Except for layoffs already noticed as of May 19, 2009, the City will not effectuate a layoff of employees in represented classifications in the period beginning the date of ratification of this Agreement through November 15, 2009.~~

66a. A. Spring 2010: Between the date of this Agreement and June 30, 2010, inclusive, layoffs of employees represented by member unions of the Public Employees Committee (PEC) that result in complete loss of City employment will be limited to four hundred and twenty five (425) positions, including notices already issued. The member unions of the PEC are as follows: Bricklayers and Allied Crafts, Local 3; Hod Carriers, Local 166; Building Inspectors' Association; Northern California Carpenters Regional Council, Local 22; Carpet, Linoleum and Soft Tile Workers, Local 12; Plasterers and Cement Masons, Local 300; Glaziers, Architectural Metal and Glass Workers, Local Union No. 718; International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artist and Allied Crafts of the United States, Its Territories, and Canada, Local 16; International Association of Bridge, Structural Ornamental, Reinforcing Iron Workers, Riggers and Machinery Movers, Local 377; Auto, Marine and Specialty Painters, Local Union No. 1176; Pile Drivers, Carpenters, Bridge, Wharf and Dock Builders, Local Union No. 34; Plasterers and Shophands, Local 66; United Union of Roofers, Waterproofers and Allied Workers, Local 40; Sheet Metal Workers International Union, Local 104; Teamsters, Local 853; San Francisco Fire Fighters Union, Local 798, IAFF, AFL-CIO; International Federation of Professional and Technical Employees, AFL-CIO, Local 21; Municipal Executives' Association; Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO; United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local 38; Service Employees International Union, Local 1021; San Francisco Deputy Probation Officers' Association; Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO, Supervising Probation Officers; Teamsters, Local 856; Transport Workers' Union, AFL-CIO, Local 200(Non-MTA); Transport Workers' Union, Local 250-A (Non-MTA 7410 and Multi-Unit); and The San Francisco Institutional Police Officers' Association.

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66b. B. Fall 2010: Between July 1, 2010 and December 31, 2010, inclusive, there will be no layoffs or layoff notices issued for represented employees unless the City does not receive the revenue projected in the Fiscal Year 2010-11 Joint Report for SB 188 (\$30 million) or does not receive the projected FMAP extension (an additional \$22.5 million), and except as provided in Section C.(3) below.

66c. In such event, the City will provide the PEC with complete and current Budget Information (as defined in paragraph 66f. below) supporting the need for additional layoffs. Immediately after issuing any such layoff notices, the City will schedule a meeting with the PEC. At least one week prior to the scheduled meeting, the City will provide the required Budget information. This meeting will be in addition to meet and confer sessions required by the Meyers-Milius-Brown Act (MMBA) and/or this Agreement. The purpose of the PEC meeting will be to identify alternatives to additional job loss (including, but not limited to, reductions in City contracts and measures to increase City revenue) and to minimize the number and impact of any necessary additional layoffs. In the event the City receives additional General Fund revenue for Fiscal Year 2010-11 that was not contemplated in the adopted budget for the year, and which is not offset by losses in other General Fund categories as of fiscal year end, the parties will identify how those funds may be used to mitigate the effect of past layoffs and minimize any additional layoffs.

66d. C. Spring 2011: Between January 1, 2011 and June 30, 2011, the City may layoff represented employees only if:

- (1) The Three-Month Budget Status Report, Six-Month Budget Status Report, and Nine-Month Budget Status Report show a cumulative Fiscal Year 2010-11 General Fund deficit of greater than \$25 million. Credit towards the \$25 million cumulative deficit will be given for solving any mid-year deficit without layoffs. Such credit will be in the amount of the deficit reduction achieved without layoffs. Mid-year layoffs may be used to reduce the deficit above \$25 million, but may not account for more than sixty (60) percent of the solutions used to balance the deficit above \$25 million. In the event of layoffs, the City will provide the PEC with complete and current Budget Information supporting the need for the additional layoffs. Immediately after issuing any such layoff notices, the City will schedule a meeting with the PEC. At least one week prior to the scheduled meeting, the City will provide the required Budget information. This meeting will be in addition to meet and confer sessions required by MMBA and/or this Agreement. The purpose of the PEC meeting will be to identify alternatives to additional job loss (including, but not limited to, reductions in City contracts, potential incentives for voluntary departure and measures to increase City revenue), and to minimize the number and impact of any necessary additional layoffs. In the event the City receives additional General

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Fund revenue for Fiscal Year 2010-11 that was not contemplated in the adopted budget for the year, and which is not offset by losses in other General Fund categories as of fiscal year end, the parties will identify how those funds may be used to mitigate the effect of past layoffs and minimize any additional layoffs; or

- (2) The projected deficit in the Fiscal Year 2011-12 Joint Report published on or around March 30, 2011 exceeds \$300 million. In that event, the City will provide the PEC with complete and current Budget Information supporting the need for Fiscal Year 2010-11 layoffs in addition to any layoffs under Section C. (1) above. Immediately after issuing any layoff notices to reduce the projected Fiscal Year 2011-12 General Fund deficit, the City will schedule a meeting with the PEC. At least one week prior to the scheduled meeting, the City will provide the required Budget information. This meeting will be in addition to meet and confer sessions required by MMBA and/or this Agreement. The purpose of the PEC meeting will be to identify alternatives to additional job loss (including, but not limited to, reductions in City contracts, potential incentives for voluntary departure and measures to increase City revenue), and to minimize the number and impact of any necessary additional layoffs; or
- (3) The Annual Salary Ordinance (ASO) passed as part of the City's adopted budget includes mid-year layoffs during Fiscal Year 2010-11, based on positions authorized in the ASO, which were included in the Mayor's proposed budget, in which case such layoffs may also proceed.

66e. Fiscal Year 2011-12: The City agrees to provide the PEC with complete and current Budget Information supporting the need, if any, for layoffs, and in the event of layoffs, agrees to schedule a meeting with the PEC. Immediately after issuing any such layoff notices, the City will schedule a meeting with the PEC. At least one week prior to the scheduled meeting, the City will provide the required Budget information. This meeting will be in addition to meet and confer sessions required by MMBA and/or this Agreement. The purpose of the PEC meeting will be to identify alternatives to additional job loss (including, but not limited to, reductions in City contracts, potential incentives for voluntary departure and measures to increase City revenue), and to minimize the number and impact of any necessary additional layoffs. In the event the City receives additional General Fund revenue for Fiscal Year 2011-12 that is not included in the adopted budget for that year, and which is not offset by losses in other General Fund categories as of fiscal year end, the parties will identify how these funds may be used to mitigate the effect of past layoffs and minimize any additional layoffs.

66f. "Budget Information", for purposes of this Agreement, shall mean complete copies of all current General Fund budget reports, including Joint Reports (together with

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all amendments or supplements thereto); Three-Month, Six-Month, and Nine-Month Budget Status Reports; copies of documents showing any reduction or increase in state or federal funding from the budgeted levels; current monthly and year-to-date balance sheets for each Enterprise Department employing members of PEC unions; aggregate payroll costs paid by the General Fund by bargaining unit and the total number of full time equivalents (FTEs) supported by the General Fund by bargaining unit; information on other balancing solutions proposed to date.

66g. Nothing in this Agreement shall waive or prejudice the right or position of the City or the Union with respect to layoffs and rights granted by Charter, the Civil Service Commission, this Agreement, or state law.

REORGANIZATION

66h. The City agrees not to effectuate the plan of Reorganization described in the Mayor's letter of March 2, 2010 to City employees (March 2010 Reorganization Plan), and not to implement a reorganization plan similar in scope and impact prior to July 1, 2012. Neither the City nor the Union waives its rights or arguments regarding the legality of the March 2010 Reorganization Plan. Upon ratification and rescission, the Union agrees to withdraw any pending grievances, administrative (including PERB) charges or litigation containing any claims relating to the March 2010 Reorganization Plan or actions taken or not taken in connection with the plan.

66i. Prior to July 1, 2012, the City agrees not to effectuate any new reorganization plan that lays off more than 20 employees in a represented classification while assigning the work formerly performed by those laid off employees to a similar number of new positions in a classification with a lower pay grade.

66j. Prior to July 1, 2012, as required by MMBA and/or this Agreement, the City and Union will meet and confer over the impact of any work reorganization that results in a layoff, and will at that time consider whether alternatives to layoffs exist.

66k. Nothing in this Agreement shall waive or prejudice the right or position of the City or the Union with respect to layoffs and rights granted by Charter, the Civil Service Commission, this Agreement, or state law.

MINIMUM NOTICE FOR DISPLACEMENTS

66l. For Fiscal Years 2010-2011 and 2011-2012 only, the City will provide ten (10) business days notice to employees who are subject to displacement due to layoffs. To the extent this notice period extends beyond the date the displacing employee is to start in the position, the employee who is to be displaced will be placed in a temporary exempt position in his/her classification and department for the remainder of the notice period.

UTILIZATION OF PROPOSITION F AND TEMPORARY EXEMPT EMPLOYEES

66m. The Human Resources Director agrees to work with City departments to ensure proper utilization of Proposition F and temporary exempt ("as needed") employees

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when such positions would more appropriately or efficiently be filled by permanent employees. In addition, the City will notify holdovers in represented classifications of any recruitment for exempt positions in their classifications.

66n. It is understood that to the degree increased utilization of such employees may be required in certain represented classifications to provide staffing coverage due to employees taking floating holidays as described in paragraphs 180a through 180d, such work will be offered to holdovers in such represented classifications

II.E. Advance Notice to MEA on Personal Service Contracts

67a. At the time the City issues a Request for Proposals ("RFP")/Request for Qualifications ("RFQ"), or thirty (30) days prior to the submission of a PSC request to the Department of Human Resources and/or the Civil Service Commission, whichever occurs first, the City shall notify MEA of any personal services contract(s), including a copy of the draft PSC summary form, where such services could potentially be performed by represented classifications.

67b. If MEA wishes to meet with a department over a proposed personal services contract, the Union must make its request to the appropriate department within two weeks after MEA's receipt of the department's notice. The parties may discuss possible alternatives to contracting or subcontracting and whether the department staff has the expertise and/or facilities to perform the work. Upon request by MEA, the City shall make available for inspection any and all pertinent background and/or documentation relating to the service contemplated to be contracted out.

67c. In order to ensure that the parties are fully able to discuss their concerns regarding particular proposed contracts, the City agrees that it will take all appropriate steps to ensure that parties (excluding the Board of Supervisors and other boards commissions) who are responsible for the contracting-out decision(s) are present at the meeting(s) referenced in paragraph 2.

67d. The City agrees to provide MEA with notice(s) of departmental commissions and Civil Service Commission meetings during which proposed personal services contracts are calendared for consideration, where such services could potentially be performed by represented classifications.

67e. Joint Labor Management Committee on PSCs: The City and the PEC shall form a joint labor management committee on personal service and construction/maintenance contracts to do the following:

- a. Review areas of General Fund and Enterprise PSCs and other city contracts, including construction/maintenance contracts, affecting members with the goal of ensuring appropriate use of Civil Service classifications.

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- b. Explore establishing workload forecasting by city departments.
- c. Review PSC processes, form(s) and tracking of PSCs, and RFP notice requirements and recommend improvements.
- d. Existing committees set out in individual union MOUs shall continue as sub-committees under this provision but shall take on specific areas of concern so as to avoid redundant efforts. Parties agree to set meeting agendas in advance to increase efficiency.

67f. The Committee will be comprised of eight (8) members of the PEC and eight (8) City representatives. Release time is to be provided for work of this Committee. The Committee will complete its work by June 30, 2012

III.A. Wages

86. For Fiscal Years 2008-2009 and 2009-2010, "new plan" employees (i.e., employees who became members in SFERS on or after November 2, 1976) and employees who are members in PERS shall be required to contribute the value of five (5) unpaid furlough days for each of those fiscal years, the implementation of which will occur through uniform payroll smoothing over the two fiscal years. Such uniform payroll smoothing shall cease effective close of business June 30, 2010.

87a. In recognition of the severe budget crisis facing the City, for fiscal years 2010-2011 and 2011-2012, covered "new plan" employees (i.e., employees who became members in SFERS on or after November 2, 1976) and employees who are members of PERS employees shall contribute the value of twelve (12) furlough days (i.e., a total of 4.62%) through the following concessions:

87b. (1) For Fiscal Years 2010-2011 and 2011-2012, all "new plan" represented employees and employees who are members of PERS will forego the Pay for Performance 1.5% lump sum payment, described in paragraphs 93a and 93b, otherwise due to be paid in October 2010 and October 2011.

87c. (2) All represented employees shall contribute the accumulated value of the FY 2008-2009 Range B & C allocation (i.e. 1% per year for Fiscal Years 2010-2011 and 2011-2012).

87d. (3) "New plan" employees (i.e., employees who became members in SFERS on or after November 2, 1976) and employees who are members of PERS employees shall contribute the remaining value of twelve (12) furlough days in the form of a 2.12% deduction via smoothing in Fiscal Years 2010-2011 and 2011-2012. Such smoothing shall expire no later than close of business June 30, 2012.

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87e. However, in the event the City's Fiscal Year 2011-12 Joint Report, issued on or about March 30, 2011, projects the General Fund deficit in Fiscal Year 2011-12 to be less than \$261 million, employee contributions for fiscal year 2011-2012 shall be adjusted to reflect the value of the number of furlough days described below:

(1) Deficit of \$150 to \$261 million: employees shall contribute the value of five (5) unpaid furlough days.

(2) Deficit from \$100 up to \$150 million: employees shall contribute the value of three (3) unpaid furlough days.

(3) Deficit less than \$100 million: employees shall not contribute any unpaid furlough days.

~~88. For Fiscal Year 2010-2011, all represented employees will participate in a four-day furlough program as follows: employees will contribute the value of four (4) furlough days through waiving the Pay for Performance 1.5% lump sum payment otherwise due to be paid in October 2010. The corresponding time-off provisions of this furlough program will be recognized as floating holidays as described in paragraph 181 of this Agreement.~~

89. Effective close of business June 30, 2012 ~~2011~~, represented employees shall receive a 2.0% increase to base wages reflecting the expiration of the Pay for Performance Program and the ongoing value of the conversion of the 0.5% B and C Range monies allocated in FY08-09 but never allocated to base wages, ~~not expended for the post-appointment adjustment committee described in paragraph 249 of this Agreement.~~

III.B. Pay for Performance

Fiscal Year 2006-2007

90. In recognition of the impact of the employee retirement contribution payment on MEA represented employees, the overall City fiscal condition and the extraordinary demands placed on the City's managers during the unprecedented fiscal crisis during fiscal years 2003-2004 through 2005-2006, and that no MEA represented employee was paid at the 3% pay for performance level provided by the MOU for each applicable year, during fiscal year 2006-2007, employees appointed to a MEA represented classification on or before December 31, 2005 who continue to be employed in an MEA represented classification through June 30, 2006, shall receive a 2% payment on a biweekly basis beginning July 1, 2006.

Fiscal Years 2007-2008, 2008-2009, and 2009-2010, 2010-2011, and 2011-2012

91. In fiscal year 2007-2008, by the first pay period on or after October 1st 2007, MEA represented employees shall be eligible to receive a 1.5% lump sum payment based on

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base wages earned in a represented classification in fiscal year 2006-2007 subject to the eligibility requirements described below.

92. In fiscal year 2008-2009, by the first pay period on or after October 1st 2008, MEA represented employees shall be eligible to receive a 1.5% lump sum payment based on base wages earned in a represented classification in fiscal year 2007-2008 subject to the eligibility requirements described below.
93. ~~The Pay for Performance program shall expire upon close of business, June 30, 2010, and, accordingly, there will be no Pay for Performance payment lump sum payment made on October 1st, 2010 or thereafter, subject to the provisions of 84a, 84b and 84c above.~~
- 93a. In fiscal year 2010-2011, by the first pay period on or after October 1st, 2010, MEA represented employees shall be eligible to receive a 1.5% lump sum payment based on base wages earned in a represented classification in fiscal year 2009-2010 subject to the eligibility requirements described below. This payment is subject to paragraphs 87b and 89, above
- 93b. In fiscal year 2011-2012, by the first pay period on or after October 1st 2011, MEA represented employees shall be eligible to receive a 1.5% lump sum payment based on base wages earned in a represented classification in fiscal year 2010-2011 subject to the eligibility requirements described below. This payment is subject to paragraphs 87b and 89, above.
- 93c. The Pay for Performance program shall expire upon close of business, June 30, 2012, and, accordingly, there will be no Pay for Performance payment lump sum payment made on October 1st, 2012 or thereafter, consistent with paragraphs 87b and 89 above.

III.D. Supervisory Differential Adjustment

113. 6. The adjustment of the compensation of the supervisor shall be 5% over the compensation exclusive of extra pay, of the employee supervised. During the term of this agreement, the adjustment to the compensation of the supervisor under this section shall be calculated on the hourly rate of the supervisee effective prior to any concessionary reduction.

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III.R. Holidays

179. Five (5) additional floating days off to be taken on days selected by the employee subject to prior scheduling approval of the appointing officer. Floating holidays may be taken in hourly increments up to and including the number of hours contained in the employee's regular shift. Employees (both full-time and part-time) must complete six (6) months continuous service to establish initial eligibility for the floating days off. Employees hired on an as-needed, part-time, intermittent or seasonal basis shall not receive the additional floating days off. Floating holidays received in one fiscal year but not used may be carried forward to the next succeeding fiscal year. The number of floating holidays carried forward to a succeeding fiscal year may not exceed the total number of floating holidays received in the previous fiscal year. No compensation of any kind shall be earned or granted for floating days off not taken.

180. For Fiscal Years 2008-2009 and 2009-2010, "new plan" employees (i.e., employees who became members in SFERS on or after November 2, 1976) and employees that are members in PERS shall receive an additional five (5) floating holidays for a total of ten (10) floating holidays for each of those fiscal years. Notwithstanding the paragraph above, for Fiscal Years 2008-2009 through 2012-2013, any unused floating holidays for "new plan" employees and employees who are members in PERS may be carried over to the next succeeding year, but at no time shall an employee accumulate more than twenty (20) floating holidays (including floating holidays awarded in a particular year) during this period.

180a. Effective July 1, 2010 for Fiscal Year 2010-11, in recognition of the value of wage concessions during the year, "new plan" employees (i.e., employees who became members in SFERS on or after November 2, 1976) and employees who are members in PERS shall receive a one-time addition of twelve (12) floating holidays for one year, which shall be administered in the same manner as the floating holidays in paragraph 179 above. However, these floating holidays will be awarded on a quarterly basis (i.e. three floating holidays will be allotted in first full pay period beginning on July 1st, October 2nd, January 8th, and April 16th of the fiscal year). The parties agree that employees may be required to take no more than five of the floating holidays for the four working days between December 25, 2010 and January 1, 2011, and one day for the day prior to Thanksgiving 2010, when the City has implemented Minimum Staffing Days.

180b. Effective July 1, 2011 for Fiscal Year 2011-12, in recognition of the value of wage concessions during that year, "new plan" employees (i.e., employees who became members in SFERS on or after November 2, 1976) and employees who are members in PERS shall receive a one-time addition of twelve (12) floating holidays for one year, which shall be administered in the same manner as the floating holidays in paragraph 179 above. These floating holidays will be on a quarterly basis (i.e. three floating holidays will accrue in first full pay period on July 1st, October 1st, January 7th, and April 14th of the fiscal year). If the number of unpaid furlough days (or equivalent) for the year is reduced by operation of the provisions of Section III.A. above, the number of additional floating holidays will be reduced in a

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corresponding manner. The parties agree that employees may be required to take no more than five of the floating holidays for the four days working days between December 25, 2011 and January 1, 2012, and one day for the day prior to Thanksgiving 2011, when the City has implemented Minimum Staffing Days.

180c. Notwithstanding the paragraphs above, any unused floating holidays accrued from July 1, 2010 through June 30, 2012 may be carried over to be used in Fiscal Years 2012-13, 2013-14 and 2014-15.

180d. During Fiscal Years 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15, floating holidays must be used before vacation days or hours are taken; provided however that this limitation (i.e., use of floating holidays before vacation) will not apply in cases in which use of the floating holiday will cause a loss of vacation due to the accrual maximums. Except for days taken during Minimum Staffing Days, floating holidays are to be scheduled per mutual agreement, based on operational needs of the department.

180e. The City will evaluate City departments or divisions for which Minimum Staffing Days are appropriate. Minimum Staffing Days may take the form of complete closures or minimum staffing. On or before August 1, 2010 and August 1, 2011, the City will notify the PEC which departments/divisions have been slated for Minimum Staffing Days and/or reduced staffing. If the PEC has any concerns regarding the list, it must make its concerns known to DHR within fourteen (14) calendar days. DHR agrees to discuss any concerns raised by the PEC via this process. If the PEC finds DHR's response inadequate, it may elevate its concerns to the Mayor, who will be the final arbiter of any such dispute. The Minimum Staffing Days currently identified and agreed to by the City and the PEC are the non-holiday work days between Christmas and New Years and the Wednesday prior to the Thanksgiving weekend – five (5) days.

181. ~~For Fiscal Year 2010-11, represented employees shall receive four (4) additional floating holidays for a total of nine (9) floating holidays for that fiscal year. Notwithstanding paragraph 179, for Fiscal Years 2008-2009 through 2013-2014, any unused floating holidays may be carried over to the next succeeding year, but at no time shall an employee accumulate more than twenty (20) floating holidays (including floating holidays awarded in a particular year) during this period.~~

III.X. Management Compensation Package

215. For Fiscal Years 2006-2007, 2007-2008, 2008-2009, and 2009-2010, and 2010-11, and 2011-12 the City shall contribute the greater amount of \$225 per month or 75% of the dependent rate charged to employees for Kaiser coverage at the dependent plus two or more level, including any additional charges assessed to Health Service System members by vote of the Health Services Board.

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III.CC. Management Classification/Compensation Plan

249. For fiscal year 2008-2009, the Adjustment Committee shall not meet and no adjustments shall be made. The half percent (0.5%) allocation for fiscal year 2008-2009 shall not be expended except as described in ~~paragraph 84 e~~ paragraph 89. above. Any other unused funds and the half percent (0.5%) allocation for fiscal year 2008-2009 shall carry over to fiscal year 2009-2010 and 2010-2011. The Adjustment Committee shall resume in fiscal year 2009-2010.

III.FF. Retirement Restoration Payment

- ~~264. For employees who retire between May 19, 2009 and the end of this Agreement and for whom their final compensation for retirement purposes is impacted by contribution in fiscal year 2008-09 and 2009-10 of the value of (i) unpaid furlough days as described in paragraph 84 and/or (ii) unpaid furlough days paid for through waiving the Pay for Performance lump sum payments as described in paragraph 84.b and/or (iii) the Pay for Performance waiver as described in paragraph 84.a, the City will provide restoration pay in a lump sum equaling the pensionable value of the contributions described immediately above for the period used by the applicable retirement system to determine the employee's final compensation for retirement purposes.~~

264a. For employees who retire prior to July 1, 2013 and whose final compensation for retirement purposes is impacted by the wage concessions described in paragraphs 87b and/or 87d, the City will make available restoration pay in a lump sum equivalent to the pensionable value of the concessions described in paragraphs 87b and/or 87d for the period used by the applicable retirement system to determine the employee's final compensation for retirement purposes (Final Compensation Period). For employees who retire prior to July 1, 2012, post-retirement payouts of vacation and vested sick leave will be made at the employee's normal (pre-reduction or non-wage-deferred) hourly rate, although nothing herein requires the San Francisco Employees Retirement System, or any applicable retirement system, to include payouts of vacation or vested sick leave in retirement calculations.

264b. Should employees who retire prior to July 1, 2013 wish to receive retirement restoration, they must, at least thirty (30) days prior to the last date of employment, agree to re-designate any floating holidays they have taken during the Final Compensation Period in excess of five (5) days to vacation days upon retirement. Due to the mix of concessions, of the twelve (12) floating holidays described in paragraphs 180a and 180b, the maximum number of floating holidays re-designated as vacation days shall be nine (9) for "new plan" employees. This re-designation shall not apply to floating holidays carried over from a prior fiscal year. Once they have taken five (5) floating holidays during the Final Compensation Period, such

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~~struck out, italics~~ = existing language prior section

bold, double underline = new language
~~struck out~~ = removed language



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 100621: Amendment to the Memorandum of Understanding (MOU)
with Municipal Executives Association

Dear Ms. Calvillo,

In accordance with Ordinance 92-94, I am submitting a cost analysis of Amendment #4 (amendment) to 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, 2010 through June 30, 2012, affecting 1,107 authorized positions with a salary base of approximately \$131 million and an overall pay and benefits base of approximately \$158 million. MEA is a member of the Public Employees Committee of the San Francisco Labor Council (PEC) and agreed many terms in the summary letter. They did not accept the cap on payments of health benefits.

The existing contract ends FY 2010-2011, but the amendment extends through FY 2011-2012 and includes a total savings of approximately \$1 million as compared to the FY2010-11 base budget. MEA agreed to concessions for both FY2009-10 and FY2010-11 in the two previous bargaining years. The approximate savings from these previous concessions for FY2010-11 is \$5.3 million.

Under the current amendment, the Pay for Performance program is extended – previously set to expire at the end of FY2009-10. The payments will be foregone by members until the end of the agreement, at which time the program will expire. In addition, 0.5% of wages, as set aside to pay for Management Classification/Compensation Plan Range B & C wages, were not provided to MEA in FY2010-11. Under this amendment, MEA will forego 1% of the wages set aside, for an additional savings of approximately \$600,000.

Previously, MEA had also agreed to a furlough of five days for FY2010-11, smoothed to 1.5 hours per pay period. To bring MEA's total concession for FY2010-11 to the equivalent of 12 furlough days in conjunction with the provisions listed above, they agreed to give an additional .25 hours per pay period, resulting in approximately \$300,000 in additional savings.

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.

The cost of continuing existing health and dental benefits provided in the amended MOU will increase by approximately \$365,000 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,

Peg Stevenson

Ben Rosenfield
Controller

cc: Martin Gran, ERD
Harvey Rose, Budget Analyst

Amendment extending Memo of Understanding through June 30, 2012
Municipal Executives Association
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 and Premiums		
Contributing equivalent of 4.62% by:		
Foregoing 1.5% Pay for Performance (savings represented below)	-	-
Contributing Range B&C Allocation (1% each year)	(\$608,956)	-
Remaining value of 12 furlough days through 2.12% wage smoothing	(\$298,388)	-
2% Deferred Wage Increase Beginning June 30, 2012	-	-
Wage-Related Fringe Increases/(Decreases)	<u>(\$139,075)</u>	<u>\$0</u>
Total Estimated Incremental Costs/(Savings)	<u>(\$1,046,419)</u>	<u>\$0</u>
Budgeted Estimates for Cost Increase in Existing Benefits	\$364,939	\$390,577
Previously negotiated saving in addition to above	(\$5,328,363)	

