

File No. 110849

Committee Item No. 6  
Board Item No. 10

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: September 7, 2011

Board of Supervisors Meeting

Date 9/20/11

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget & Legislative Analyst Report          |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ethics Form 126                              |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |

#### OTHER

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Completed by: Victor Young

Date: Sept 2, 2011

Completed by: Victor Young

Date: 9-8-11

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

1 [Memorandum of Understanding, Amendment No. 4 - San Francisco Police Officers'  
2 Association (Units P-1 & P-2A)]

3 **Ordinance adopting and implementing Amendment No. 4 to the 2007-2013**

4 **Memorandum of Understanding between the City and County of San Francisco and the**  
5 **San Francisco Police Officers' Association (Units P-1 & P-2A), by extending the term of**  
6 **the MOU to June 30, 2015, and by implementing specified terms and conditions of**  
7 **employment for FYs 2011-2012, 2012-2013, 2013-2014 and 2014-2015.**

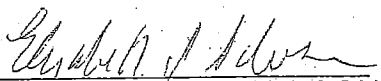
8 NOTE: Additions are single-underline italics Times New Roman;  
9 deletions are strike through italics Times New Roman.  
10 Board amendment additions are double-underlined;  
11 Board amendment deletions are strikethrough normal.

12 Be it ordained by the People of the City and County of San Francisco:

13 Section 1. The Board of Supervisors hereby adopts and implements Amendment No. 4  
14 to the 2007-2013 Memorandum of Understanding between the City and County of San  
15 Francisco and the San Francisco Police Officers' Association (Units P-1 & P-2A), by  
16 extending the term of the MOU to June 30, 2015, and by implementing specified terms and  
17 conditions of employment for fiscal years 2011-2012, 2012-2013, 2013-2014 and 2014-2015.

18  
19 Amendment No. 4 to the Memorandum of Understanding so implemented is on file in  
20 the office of the Board of Supervisors in Board File No. 110849.

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

23 By:   
24 ELIZABETH S. SALVESON  
25 Chief Labor Attorney



**CITY AND COUNTY OF SAN FRANCISCO**  
**OFFICE OF THE CONTROLLER**

**Ben Rosenfield**  
**Controller**

**Monique Zmuda**  
**Deputy Controller**

August 2, 2011

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 Numbers 110849 and 110851: Amendment to the Memorandum of Understanding (MOU) with the San Francisco Police Officers Association

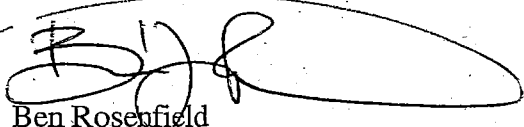
Dear Ms. Calvillo,

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 San Francisco Police Officers Association. The amendment applies to the period commencing July 1, 2011 through June 30, 2015, affecting 2,101 authorized positions with a salary base of approximately \$247.7 million and an overall pay and benefits base of approximately \$324.7 million.

Based on our analysis, the ordinance will result in an \$8,903,325 cost savings in FY 2011-12, \$7,350,604 in FY 2012-13, and a cost increase of \$98,569 in both FY 2013-14 and FY 2014-15. The savings will be realized through increased pension contributions.

If you have additional questions or concerns please contact me at 554-7500 or Michelle Allersma of my staff at 554-4792.

Sincerely,

  
Ben Rosenfield  
Controller

cc: Martin Gran, ERD  
Harvey Rose, Budget Analyst

RECEIVED  
BOARD OF SUPERVISORS  
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Attachment A  
 San Francisco Police Officers Association - 911  
 Estimated Costs/(Savings) FY 2011-12 through FY 2014-15  
 Controller's Office

	<u>FY 2011-2012</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
<u>Annual Costs/(Savings)</u>				
<b>Wages</b>				
increased pension contributions	\$ (1,138,360)	\$ 28,288	\$ 28,288	\$ 28,288
<b>Wage-Related Fringe Increases/(Decreases)</b>	<u>(7,090,164)</u>	<u>(6,963,937)</u>	<u>7,836</u>	<u>7,836</u>
<b>Overtime</b>	<u>(66,731)</u>	<u>58,045</u>	<u>58,045</u>	<u>58,045</u>
<b>Overtime-Related Fringe Increases/(Decreases)</b>	<u>(968)</u>	<u>842</u>	<u>842</u>	<u>842</u>
<b>Premium Pay</b>	<u>(121,203)</u>	<u>3,012</u>	<u>3,012</u>	<u>3,012</u>
<b>Premium Pay-Related Fringe Increases/(Decreases)</b>	<u>(485,900)</u>	<u>(476,854)</u>	<u>546</u>	<u>546</u>
<b>Total Estimated Incremental Costs/(Savings)</b>	<u>\$ (8,903,325)</u>	<u>\$ (7,350,604)</u>	<u>\$ 98,569</u>	<u>\$ 98,569</u>

Amendment No. 4  
TO THE 2007-2013 MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE CITY AND COUNTY OF SAN FRANCISCO  
AND  
SAN FRANCISCO POLICE OFFICERS' ASSOCIATION  
UNITS P-1 AND P-2A

The parties hereby amend the Memorandum of Understanding as follows:

**ARTICLE III. PAY, HOURS AND BENEFITS**

Section 1. Wages.

A. General Wage Increases:

188. Employees shall receive the following base wage increases:

~~January 7~~ March 31, 2012 - 2%

188a. The parties acknowledge that covered employees previously deferred to January 8, 2011 a 2% wage increase that was originally scheduled to be effective on July 1, 2009.

188aa. Employees shall defer to March 31, 2012, the 2% wage increase which is scheduled to be effective on January 7, 2012. Such deferral is subject to the terms set forth in section 188b.

188b. ~~In the event that a City Charter amendment (other than an amendment adopted in the June 2010 election) or State ballot measure or State legislation is implemented by the City during any economic concession period set forth in paragraph 188c, resulting in any reduction in represented employee wages or fringe benefits, the economic concessions described in paragraphs 188 and 223a, shall terminate at the close of business on the last day of the economic concession period during which the Charter amendment, State ballot measure or State legislation is implemented, and no subsequent economic concessions shall become effective during the term of this Agreement. The parties will thereafter meet and confer in good faith regarding the impact of any such Charter amendment, State ballot measure or State legislation, pursuant to Government Code section 3505 and Charter section A8.500 et seq.~~ In the event that any of the circumstances set forth below in subsection (1) occur during any of the economic concession periods set forth in paragraph 188c, the economic concessions described in paragraphs 188, 188aa, 223a, and 296a shall terminate at the close of business on the last day of the applicable economic concession period and no subsequent economic concessions shall become effective during the term of this Agreement:

- 1) a City Charter amendment (other than a retirement benefits ballot measure adopted by the voters in the November 2011 election) or a State ballot measure or State legislation is implemented by the City during any economic concession period set forth in paragraph 188c, resulting in any

**reduction in represented employee wages or fringe benefits; In such event, the parties will thereafter meet and confer in good faith regarding the impact of any such Charter amendment, State ballot measure or State legislation, pursuant to Government Code section 3505 and Charter section A8.590 et seq.**

188c. Economic Concession periods are as follows:

- (1) July 1, 2010 to December 24, 2010.
- (2) December 25, 2010 to June 30, 2011.
- (3) July 1, 2011 to December 23, 2011.
- (4) December 24, 2011 to June 30, 2012.
- (5) July 1, 2012 to December 21, 2012**
- (6) December 22, 2012 to June 30, 2013**

188d. In the event that the City's FY 2011-2012 Joint Report, issued on or about March 30, 2011, projects the General Fund deficit in FY 2011-2012 to be less than \$261 million dollars, then the parties shall reopen the contract to determine whether the economic concession for FY 2011-12 should be adjusted and, if so, by what amount.

189. Effective July 1, 2007, the entry step for Police Officer I (Q2, Q3, and Q4) shall be increased by four percent (4%) in order to decrease the differential between steps 1 and 2, and more effectively recruit Police Officers.

189a. Effective July 1, 2011, employees shall receive a base wage increase in an amount equal to 100% of the difference between the average total amount of all survey data points and the comparable total amount for San Francisco Police Officers. However, this base wage increase shall be no lower than 3% and no higher than 5%.

189b. A survey shall be conducted by the City of the following cities: Berkeley, Concord, Daly City, Fairfield, Fremont, Hayward, Oakland, Richmond, San Jose, Santa Clara and Santa Rosa.

189c. The salary survey shall measure total compensation for the rank of Q2 Police Officer based on the following data points:

- Maximum monthly salary for the rank of Q2 Police Officer;
- Maximum educational incentive premiums (e.g., Adv. POST);
- Employer payment of mandatory employee retirement contributions and retirement supplements;
- Uniform Pay

189d. The salary survey shall be completed no later than May 15, 2011 for the base wage adjustment effective on July 1, 2011. The rates reported for the cities listed above shall be those known and officially authorized for payment as of May 15, 2011 for July 1, 2011. If rates are not known and authorized by May 15, 2011 for July 1, 2011, the rates reported shall be those in effect on May 15, 2011. Authorized rates to be surveyed are those contained in resolutions, ordinances, charters or memoranda of understanding.

- 189e. For memoranda of understanding or other authorizing salary instruments that provide for CPI adjustments, the minimum adjustment, if provided, shall be utilized as the rate effective on the date of the market wage adjustment. If no minimum adjustment is provided, the rates used shall be those in effect when the survey is conducted.
- 189f. The parties shall consult regarding the survey results. Any disputes regarding the results of the survey or its methodology shall be submitted to Expedited Arbitration under the Grievance Procedure.
- 189g. The surveyed data shall be reported by each city and for each category, and as an average. The difference between the average total amount of all survey data points and the total amount for San Francisco Police Officers for the identical data points shall be calculated as a percentage and the difference, if any, shall be the basis for the base wage adjustment.
- 189h. The parties acknowledge and understand that the wage-setting process set forth herein was reached by mutual agreement and is intended to determine wages only during the term of this Agreement. The parties further acknowledge and understand that this wage setting process shall sunset upon expiration of this Agreement and that the terms and conditions of employment contained in successor MOUs, including wages, shall be determined pursuant to Charter Section A8.590, et. seq.

Section 9. Retirement.

A. Mandatory Employee Retirement Contribution.

296. For the duration of this Agreement, employees shall pay their own retirement contributions. Tier 1 employees will contribute an amount equal to 7% of covered gross salary; Tier 2 employees and Harbor Police Officers will contribute an amount equal to 7.5% of covered gross salary. The parties acknowledge that said contributions satisfy the requirements of Charter Sections A8.595-11(d) and A8.597-11(d) for the duration of this Agreement.
- 296a. Notwithstanding paragraph 296. above, the parties agree to further extend employee cost sharing by increasing the retirement contribution for all employees by three percent (3%) for the two-year period beginning July 1, 2011 and ending June 30, 2013. As of July 1, 2013, the parties agree to effectuate any applicable cost sharing provisions of a Charter amendment initiated by the Mayor, approved by the Board of Supervisors, and approved by the voters in the November 2011 election.**
297. If the majority of City & County of San Francisco employees agree to an employee contribution to fund retiree health benefits, the parties agree to reopen the MOU on the subject of an employee contribution to fund retiree health benefits. This reopener is subject to the impasse resolution procedures as set forth in Charter Section A8.590-1 et seq.
298. B. Employees with twenty (20) years' service who leave the Department, but who retain their membership in the retirement system, shall be deemed to be retired for purposes of Penal Code Section 12027.
299. C. Rule changes by the City's Retirement Board regarding the crediting of accrued sick leave for retirement purposes shall be incorporated herein by reference. Any such rule changes,

however, shall not be subject to the grievance and arbitration provisions of current Memorandum of Understanding or the impasse procedures of Charter Section A8.590-1, et. seq.

D. Pre-Retirement Planning Seminar and Retirement Ceremony.

300. The City shall continue to offer pre-retirement seminars and retirement ceremonies for bargaining unit members. These functions shall be administered by the Police Academy in consultation with the Police Officers Association. Bargaining unit members shall be offered the opportunity to attend the seminar in order of the number of years of service credit they have earned towards retirement. A preference shall be given to those members who have filed for retirement with the Retirement System. The City's cost for such services shall not exceed \$15,000 per fiscal year.
- 300a. Effective July 1, 2010, for Tier I employees who retire (including employees who enter the DROP program) on or after July 1, 2010 and prior to July 1, 2013 and whose final compensation for retirement purposes is impacted by the economic concessions described in paragraphs 188, 188a, 188aa and 223a, said employees' final compensation for retirement purposes shall be calculated at the rate of remuneration that would have been attached to the rank or position held by the employee, at the time of retirement, had there been no economic concessions for Fiscal Years 2010-2011 and 2011-2012.
- 300b. Effective July 1, 2010, for Tier II employees who retire (including employees who enter the DROP program) on or after July 1, 2010 and prior to July 1, 2013, and whose final compensation for retirement purposes is impacted by the pensionable economic concessions described in paragraphs 188, 188a, 188aa and 223a for the period from July 1, 2010 through June 30, 2012, the City will make available restoration pay in a lump sum equivalent to the pensionable economic concessions for the period used by the San Francisco Employees Retirement System to determine the employee's final compensation for retirement purposes (Final Compensation Period). Only pensionable economic concessions deferred from July 1, 2010 through June 30, 2012 are eligible for restoration.
- 300c. For Tier I and Tier II employees who retire prior to July 1, 2013, payouts of vacation, vested sick leave, compensatory time and wellness pay shall be at the employee's normal (non-deferred) hourly wage rate, although nothing herein requires the San Francisco Employees Retirement System to include payouts of vacation, vested sick leave, compensatory time or wellness pay in retirement calculations.
- 300d. Employees who enter(ed) the DROP program prior to July 1, 2010 are not eligible for retirement restoration described in this section.

Section 11. Pilot Program for San Francisco Housing.

313. The parties agree to establish a program intended to encourage San Francisco police officers to live in the City of San Francisco. Participants must be employed as San Francisco police officers for the duration of their participation in the housing program. The housing program will consist of two options: the Home Ownership Incentive Program, and the Rental and Relocation Assistance Program.
314. A. Home Ownership Incentive Program – San Francisco Police Officers who are first-time



homebuyers within the geographic boundaries of the City of San Francisco may be eligible to receive up to \$20,000 in down payment and closing costs assistance.

315. 1. One forgivable loan is available per household, and may be used for down payment assistance or closing costs, including title insurance, credit reports, recording fees, appraisals, points, transfer stamps, third-party property inspection fees, first year's payment of mortgage insurance, and other customary bank-related closing charges. This loan will be fully forgiven if the officer resides in the home for at least five years.
316. 2. A maximum of \$225,000 annually is available for this program. Funds will be disbursed to eligible applicants on a first-come, first-served basis.
317. B. Rental and Relocation Assistance Program – San Francisco police officers who wish to relocate to a rental unit within the City of San Francisco may be eligible for a forgivable loan of up to \$5,000 for relocation-related expenses.
318. 1. One forgivable loan is available per household, and may be used for the following:  
relocation expenses (including airfare or other transportation mode) movers, etc; initial fees associated with rentals (broker fees, security deposits, first month's rent); and other appropriate fees as determined by the Police Department.
319. 2. A maximum of \$70,000 annually is available for this program. Funds will be disbursed to eligible applicants on a first-come, first-served basis.
320. The program will expire as of June 30, ~~2011~~ 2015 unless renewed by the parties.

## ARTICLE IV. SCOPE

### Section 2. Duration.

343. This Agreement shall be effective upon ratification and shall be effective from July 1, 2007 through June 30, ~~2013~~ 2015.





**SFPOA – Units P-1, P2A & P2B  
MOU Amendment  
Highlights/Summary**

**MOU Amendment – Changes to Existing Provisions**

Economic Terms:

- a. Delay for three months a 2% wage increase previously scheduled to be effective on 1/7/12. (Value of wage deferral equals 0.5%.)
- b. Effective 7/1/12, employees will pay an additional 3% employee retirement contribution for 2011-12 and 2012-13. Thereafter, employees will pay additional retirement contributions (or receive relief) according to the Consensus Pension Charter Amendment, assuming voters approved the measure in November.
- c. Other wage increases will occur as scheduled.

Contingencies:

- a. Neither the passage of Proposition C (Consensus Measure) or Proposition D (Adachi Measure) in November will disturb the economic concessions (i.e., the 3% additional retirement contributions for two years and the 2% wage deferral).
- b. The economic concessions listed above will end early if the City or the State implements a pension measure other than Propositions C or D. In such an event, the parties will return to the bargaining table.
- c. If Proposition C (Consensus Measure) is approved by the voters and is implemented, employees will begin paying additional retirement contributions per the Charter in 2013-14 and thereafter.
- d. If Proposition D (Adachi Measure) is approved by the voters, the existing terms of the MOU will continue to be a contract bar for that measure.

Term: MOU will expires 6/30/2015

