

File No. 100867

Committee Item No. 7

Board Item No. 43

COMMITTEE/BOARD OF SUPERVISORS AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date July 7, 2010

Board of Supervisors Meeting Date July 13, 2010

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
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| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| * <input checked="" 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 type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER

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|-------------------------------------|--------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Amendment No. 2 to MOU</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <u>Controller's Cost Analysis</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
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Completed by: Alisa Somera Date July 2, 2010

Completed by: Alisa Somera Date July 8, 2010

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

1 [Memorandum of Understanding, Amendment No. 2 – Municipal Executives' Association Fire]

2
3 **Ordinance adopting and implementing Amendment No. 2 to the 2007-2012**
4 **Memorandum of Understanding between the City and County of San Francisco and the**
5 **Municipal Executives' Association Fire by extending the term of the parties' Agreement**
6 **through June 30, 2013, and by implementing specified terms and conditions of**
7 **employment for FYs 2010-2011, 2011-2012 and 2012-2013.**

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

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

14 Section 1. The Board of Supervisors hereby adopts and implements Amendment #2
15 amending the 2007-2012 Memorandum of Understanding between the City and County of
16 San Francisco and the Municipal Executives' Association Fire by extending the term of the
17 parties' Agreement through June 30, 2013, and by implementing specified terms and
18 conditions of employment for fiscal years 2010-2011, 2011-2012 and 2012-2013.

19 Amendment No. 2 to the Memorandum of Understanding so implemented is on file in
20 the office of the Board of Supervisors in Board File No. 100867.

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

23 By:

24 
25 ELIZABETH S. SALVESON
Chief Labor Attorney

MEMORANDUM OF UNDERSTANDING

between

THE CITY AND COUNTY OF SAN FRANCISCO

and

**MUNICIPAL EXECUTIVES' ASSOCIATION
FIRE**

July 1, 2007 - June 30, 2013

Per Amendment 2

AMENDMENT No. 2
TO THE 2007-2013 MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO
AND
MUNICIPAL EXECUTIVES' ASSOCIATION
FIRE

The parties hereby amend the Memorandum of Understanding as follows:

II.D. SEVERANCE PAY

37. 1. The City agrees that when involuntarily removing or releasing from employment a represented, exempt employee, the Appointing Officer will endeavor to inform the employee at least thirty (30) calendar days before his/her final day of work. Where the Appointing Officer fails or declines to inform the employee a full thirty (30) days in advance, the member shall receive pay in lieu of the number of days less than thirty (30) upon which she/he was informed.
38. 2. In addition to paragraph (1), the City agrees that when involuntarily removing or releasing from employment a represented, exempt employee with ten (10) or more years of City Service, the employee shall also receive one month's severance pay in exchange for a release signed by the employee and MEA of any and all claims arising under this Agreement that the employee or MEA may have against the City including any officer or employee thereof. This release shall also include a waiver of any rights the employee may have to return to City employment, e.g., holdover roster. This release does not affect claims or rights an employee may have independent of this Agreement such as those rights arising under state or federal law. (This language is superseded by paragraph (4), below, effective July 1, 2010.)
39. 3. In the event a represented, exempt employee is involuntarily returned to a permanent job code (rank), that employee may elect to separate from City Service and shall receive one month's severance pay in exchange for a release signed by the employee and MEA of any and all claims arising under this Agreement that the employee or MEA may have against the City including any officer or employee thereof. This release shall also include a waiver of any rights the employee may have to return to City employment e.g. holdover roster. This release does not affect claims or rights an employee may have independent of this Agreement such as those rights arising under state or federal law. (This language is superseded by paragraph (4), below, effective July 1, 2010.)
- 39a. 4. Effective July 1, 2010, in addition to paragraph (1), the parties agree that the severance is available per this paragraph to the following covered employees: (a) represented exempt employees who are involuntarily removed or released from City employment; and (b) represented, exempt employees who are involuntarily returned to a permanent job code (rank) and who elect to separate from City Service. Said employees who elect severance shall receive

two months' severance pay in exchange for a release signed by the employee and MEA of any and all claims arising under this Agreement that the employee or MEA may have against the City including any officer or employee thereof. This release shall also include a waiver of any rights the employee may have to return to City employment, e.g., holdover roster. This release does not affect claims or rights an employee may have independent of this Agreement such as those rights arising under state or federal law.

II.F. LAYOFFS

40a.

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.

40b.

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.

40c.

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-Millas-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.

40d.

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 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.

40e.

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.

40f.

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

40g. 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

40h. 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.

40i. 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.

40j. 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.

40k. 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.

UTILIZATION OF PROP F AND TEMPORARY EXEMPT EMPLOYEES

40l. The Human Resources Director agrees to work with City departments to ensure proper utilization of Proposition F and temporary exempt ("as needed") employees 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.

III.A. WAGES

41. For fiscal years 2008-2009, and 2009-2010, 2011-2012 and 2012-2013, represented employees shall receive the same scheduled percentage wage increases received by the H-2 Fire Fighter rank under Section 9, Salary, in the 2007-~~2013~~ ~~2011~~ Memorandum of Understanding between the City and the San Francisco Fire Fighters Union, Local 798.

41a. *Base wages shall be increased as follows:*

Chief (0140) and Deputy Chiefs (0150)

- ~~July 1, 2010 - 2%~~ January 8, 2011 - 2%
- July 1, 2011 - 2%

Assistant Deputy Chiefs II (H-51) and EMS Chief (H-53)

- ~~July 1, 2010 - 4%~~ January 8, 2011 - 2%
- July 1, 2011 - 4%

41b. The parties agree that base wages for the Chief (0140) and Deputy Chief (0150) classifications shall be reduced by 2% effective July 1, 2010 through close of business June 30, 2011.

41c. The parties acknowledge that all covered employees previously deferred to January 8, 2011 a 2% wage increase that was scheduled to be effective on July 1, 2009.

41d. The parties acknowledge that all covered employees previously gave up 2% in base wages through full participation in the VTOP program from January 1, 2010 through June 30, 2010.

41e. The parties agree that all covered employees shall defer to July 1, 2012 the entire parity salary increase amounting to between 3% to 5%, otherwise scheduled to be effective on July 1, 2011.

III.W. RETIREMENT RESTORATION

107a. Effective July 1, 2010, for Tier I employees who retire prior to July 1, 2013 and whose final compensation for retirement purposes is impacted by the wage reduction, wage increase deferrals or the parity salary deferrals described in paragraphs 41a, 41b, 41c and 41e, 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 wage increase deferral or parity salary deferral for Fiscal Years 2010-2011 and 2011-2012.

107b. Effective July 1, 2010, for Tier II employees who retire prior to July 1, 2013, and whose final compensation for retirement purposes is impacted by the wage reduction, wage increase deferrals or the parity salary deferrals described in paragraphs 41a, 41b, 41c and 41e 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 wage increase deferrals and the pensionable parity salary deferrals 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 wages deferred from July 1, 2010 through June 30, 2012 are eligible for restoration.

107c.

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.

V.C. DURATION OF AGREEMENT

126.

This Agreement shall be effective July 1, 2007, and shall remain in full force and effect through June 30, 2013 2011.



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
JUL - 2 PM 4:05
BY Monique Zmuda
Deputy Controller

July 2, 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 No. 100867: Amendment to Memorandum of Understanding (MOU) with the Municipals Executives Association Fire

Dear Ms. Calvillo,

In accordance with Ordinance 92-94, I am submitting a cost analysis of the Amendment (amendment) to the MOU between the City and County of San Francisco and the Municipals Executives Association Fire (MEA Fire). The amendment applies to the period commencing July 1, 2010 through June 30, 2013, affecting 10 authorized positions with a salary base of approximately \$2 million and an overall pay and benefits base of approximately \$2.5 million. As members of the Public Employees Committee of the San Francisco Labor Council (PEC), MEA Fire have agreed to the provisions outlined in the PEC agreement, with the exception of furlough days and a cap on City payments of health benefits.

The amendment extends the existing MOU through FY2012-13. Based on our analysis, the amendment will result in an \$82,000 savings in FY2010-11. The amendment provides 4% in wage savings in FY2010-11 by members either deferring a 4% wage increase or deferring a 2% wage increase and taking an additional 2% pay cut. During the term of the amendment, half of a previously deferred 4% wage increase scheduled for July 1, 2009 will take effect on January 8, 2011. Finally, any wage increases for reasons of parity (between 3% and 5%) will be deferred until July 1, 2012.

Additionally, the amendment provides for two months' severance to employees who are involuntarily removed or released from employment or who choose to separate instead of an involuntary return to a lower rank.

The agreement provides that employees who retire during the term of the amended MOU whose compensation is impacted by wage deferrals or salary parity deferrals will receive a payment equaling the pensionable value of the wage reductions 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 agreement will increase by approximately \$7,000 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
Controller

cc: Martin Gran, ERD
Harvey Rose, Budget Analyst

Extension of Memo of Understanding through June 30, 2013
Municipal Executives Association Fire
Estimated Costs/(Savings) FY 2010-2013
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2010-2011</u>	<u>FY 2011-2012</u>	<u>FY 2012-2013</u>
4% reduction in FY2010-11 wages by: - Chief and Deputy Chiefs deferring a 2% wage increase and taking a 2% wage cut	(\$82,239)	\$82,239	
- Assistant Deputy Chiefs and EMS Chief deferring a 4% wage increase			
Parity increase - estimated at 3%			\$61,679
Total Estimated Incremental Costs/(Savings)	<u>(\$82,239)</u>	<u>\$82,239</u>	<u>\$61,679</u>
Budgeted Estimates for Cost Increase in Existing Benefits	\$7,004	\$8,120	\$9,414