

File No. 100809

Committee Item No. 2

Board Item No. 45

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

- | | | |
|---------------------------------------|---------------------------------------|--|
| <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 Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <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 checked="" 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 |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

(Use back side if additional space is needed)

- | | | |
|-------------------------------------|-------------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Amendment No. 3 to MOU</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Controller's Cost Analysis</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Alisa Somera Date July 2, 2010

Completed by: Alica 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.

[Memorandum of Understanding, Amendment No. 3 – San Francisco Firefighters, Local 798, (Unit 1)]

Ordinance adopting and implementing Amendment No. 3 to the 2007-2012 Memorandum of Understanding between the City and County of San Francisco and the San Francisco Firefighters, Local 798, Unit 1, by extending the term of the parties' Agreement through June 30, 2013, and by implementing specified terms and conditions of employment for fiscal years 2010-2011, 2011-2012 and 2012-2013.

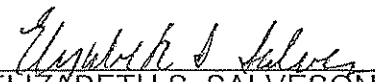
NOTE: Additions are single-underline italics Times New Roman; deletions are ~~strike-through italics Times New Roman~~. Board amendment additions are double-underlined; Board amendment deletions are ~~strikethrough-normal~~.

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

Section 1. The Board of Supervisors hereby adopts and implements Amendment No. 3 to the 2007-2012 Memorandum of Understanding between the City and County of San Francisco and the San Francisco Firefighters, Local 798, Unit 1 by extending the term of the parties' Agreement through June 30, 2013, and by implementing specified terms and conditions of employment for fiscal years 2010-2011, 2011-2012 and 2012-2013.

Amendment No. 3 to the Memorandum of Understanding so implemented is on file in the office of the Board of Supervisors in Board File No. 100809.

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
SAN FRANCISCO FIRE FIGHTERS UNION
LOCAL 798, IAFF, AFL-CIO
July 1, 2007 to June 30, 2013
Unit 1

Revised per Amendment #3

AMENDMENT NO. 3
TO THE 2007-2012 MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO
AND
SAN FRANCISCO FIRE FIGHTERS UNION
LOCAL 798, IAFF, AFL-CIO
UNIT 1

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

SECTION 9. SALARY

9.1 Employees shall receive the following base wage increases:

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

9.1.a. 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.

9.1.b. Employees shall defer to July 1, 2011 the 4% wage increase which is scheduled to be effective on July 1, 2010. Such deferral is subject to the terms set forth in sections 9.1.c. and 9.1.d.

9.1.c. In the event that there is a violation of Administrative Code section 2A.97 (Proposition F, which requires the Fire Department to fully maintain, staff and operate neighborhood firehouses and emergency apparatus) as adopted on November 8, 2005, during any of the wage deferral periods set forth in section 9.1.e., the deferrals described in sections 9.1.b. and 10.1.a. shall terminate at the close of business on the last day of the wage deferral period during which the violation occurs, and no subsequent wage deferrals shall become effective during the term of this Agreement. If the event described in this section occurs before September 1, 2010, the deferral described in section 9.1.b. shall terminate immediately and no subsequent wage deferrals shall become effective during the term of this Agreement.

9.1.d. 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 during any wage deferral period set forth in section 9.1.e., resulting in any reduction in represented

employee wages or fringe benefits, or an increase in the average employee work week set forth in Charter section A8.452, the deferrals described in sections 9.1.b. and 10.1.a. shall terminate at the close of business on the last day of the wage deferral period during which the Charter amendment, State ballot measure or State legislation is implemented by the City, and no subsequent wage deferrals 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 A8.590 et seq.

9.1.e. Wage deferral 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.

9.1.f. The wage deferral set forth in section 9.1.b. shall be restored on July 1, 2011. The wage deferral for Fiscal Year 2011-12 shall be restored on July 1, 2012.

9.1.g. 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 anticipated, then the wage deferrals set forth in section 10.1.a. shall be adjusted to reflect the adjustments described in Section II.2 of the agreement between the City and the San Francisco Labor Council, Public Employee Committee ("PEC").

Example: If the parity salary increase is 3%, the wage deferral shall be adjusted as follows:

- (1) If the projected deficit is \$150 to \$261 million, then the wage deferral set forth in section 10.1.a. shall be 1.25%.
- (2) If the projected deficit is \$100 to \$150 million, then the wage deferral set forth in section 10.1.a. shall be 0.75%.
- (3) If the projected deficit is less than \$100 million, then the wage deferral set forth in section 10.1.a. shall be null and void.

9.6

Except as otherwise provided herein, newly hired H-3 employees shall enter at Step 1. H-3 employees shall advance from Step 1 to Step 2 upon satisfactory completion of the probationary period, including completion of all probationary testing. H-3 employees shall advance to Step 3 upon satisfactory completion of one year of active service at Step 2. Subject to

the approval of the Chief of the Department, H-3 employees who possess the Level II requisite experience and certification shall advance to Step 4 upon satisfactory completion of ~~two years~~ a minimum of one year of service in the Department. H-3 employees shall advance to Step 5 upon completion of one year of active service at Step 4. H-3 employees shall advance to Step 6 upon satisfactory completion of one year of active service at Step 5.

SECTION 10. PARITY

10.1 The parties agree that in the event any salary (general base wage) increase is hereafter agreed to, granted or awarded to the members of the San Francisco Police Officers' Association which results in a disparity between the base wage of Q2 Police Officer and H-2 Fire Fighter, a salary (general base wage) increase shall be automatically implemented for the members of this bargaining unit in the amount necessary to maintain base wage salary parity between the H-2 Fire Fighter and Q2 Police Officer benchmark classifications.

10.1.a. Employees shall defer to July 1, 2012 the entire parity salary increase amounting to between 3% and 5%, which is scheduled to be effective on July 1, 2011. Such deferral is subject to the terms set forth in section 9.1.c. and 9.1.d.

SECTION 11. RETIREMENT

11.5.a. 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 increase deferrals or the parity salary deferrals described in sections 9.1.a., 9.1.b. and 10.1.a., 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.

11.5.b. 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 increase deferrals or the parity salary deferrals described in sections 9.1.a., 9.1.b. and 10.1.a. 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.

11.5.c. 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.

SECTION 12. HOURS

12.5 H-3 Level I and II employees shall work a 40-hour work week which shall consist of four 10-hour shifts. Subject to approval by the Chief of the Department, the Department may choose to implement a 12-hour shift, in which case the parties shall meet and confer concerning the method of implementation. H-3 Level III employees shall work a 24-hour shift (two (2) consecutive twelve-hour watches), a 48.7-hour average work week, and a 31-day tour of duty (i.e., duty cycle).

SECTION 31. HEALTH AND DENTAL COVERAGE

31.2 For "Medically Single Employees" (employees with no dependents enrolled in the Health Service System): the City shall contribute the total amount for the employees' own health care premium coverage.

31.2.a. Fiscal Year 2011-12 and Thereafter
It is understood that the City and the PEC have agreed to establish a labor-management committee to begin meeting no later than October 1, 2010, concluding before December 31, 2010, to identify changes to MOU-negotiated premium payments that would be anticipated to yield approximately \$3 million in savings annually in the City's employee health care cost, beginning Fiscal Year 2011-12.

31.2.b. Should the committee not reach mutual agreement on another option, the following goes into effect: for Fiscal Year 2011-12 and thereafter, for all employees enrolled in the City Plan in the medically single/Employee-Only category, the City's contribution will be capped at an amount equivalent to the cost of the second-highest cost plan for medically single/Employee-Only enrollees. Employees who elect to enroll in the City Plan in this category must pay the difference between the capped amount of the City Plan described above and the cost of City Plan coverage in the medically single/Employee-Only category.

31.2.c. If no mutual agreement on another option is reached as described in section 31.2.b., and if an employee's work location reasonably requires him or her to reside in a county in which there is no City HMO available, then the City shall pay for medically single/Employee-Only coverage under the City Plan.

SECTION 54. TERM

54.1 This Agreement shall remain in full force and effect from July 1, 2007, to and including June 30, 2012 2013.

FOR THE CITY

FOR THE UNION

Date: _____


Date: _____

Martin Gran
Employee Relations Director

Thomas O'Connor
President

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney



Elizabeth Salveson
Chief Labor Attorney



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

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. 100809: Amendment to Memorandum of Understanding (MOU) with the San Francisco Fire Fighters Union Local 798, IAFF, AFL-CIO, Unit 1

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2010 JUL - 2 PM 4:05
BY [Signature]

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 San Francisco Fire Fighters Union, Local 798, Unit 1 (Fire Fighters Unit 1). The amendment applies to the period commencing July 1, 2010 through June 30, 2013, affecting 1,675 authorized positions with a salary base of approximately \$162 million and an overall pay and benefits base of approximately \$229 million. As members of the Public Employees Committee of the San Francisco Labor Council (PEC), the Fire Fighters Unit 1 have agreed to many of the provisions outlined in the PEC agreement, with the exception of furlough days.

The amendment extends the existing MOU through FY2012-13. Based on our analysis, the amendment will result in a \$8.7 million savings in FY2010-11. Covered employees will defer a July 1, 2010 4% wage increase to July 1, 2011. The union will continue to receive a previously-deferred wage increase of 2% on January 8, 2011. However, any parity salary increases (between 3% and 5% of wages) scheduled for July 1, 2011 will be deferred until July 1, 2012. The above wage increase deferrals will be voided if the Administrative Code regarding closure of neighborhood firehouses or fire apparati is violated in any way or if state or local ballot initiative reducing wages or fringe benefits is implemented during the wage deferral periods.

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.

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 \$235,000 in savings in FY2011-12 under this bargaining unit. The cost of continuing existing health and dental benefits provided in the agreement will increase by approximately \$570,000 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,

[Signature]
Ben Rosenfield
Controller

cc: Martin Gran, ERD
Harvey Rose, Budget Analyst

Amendment extending Memo of Understanding through June 30, 2013
 San Francisco Fire Fighters Union Unit 1
 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>
Wages			
Defer July 1, 2010 4% wage increase; January 8, 2011 2% wage increase; July 1, 2011 4% wage increase; Parity increase of 3% on July 1, 2012	(\$8,712,601)	\$9,522,686	\$5,958,109
		\$1,150,983	\$720,142
Wage-Related Fringe Increases/(Decreases)			
Benefits			
Cap on City contribution for medically single City Plan employees		(\$235,432)	(\$16,850)
Annual Amount Increase/(Decrease)	<u>(\$8,712,601)</u>	<u>\$10,438,238</u>	<u>\$6,661,400</u>
Budgeted Estimates for Cost Increase in Existing Benefits	\$566,456	\$606,998	\$650,441